

**SCHOOL DISTRICT**

**OF**

**ROSELLE PARK**

**ROSELLE PARK BOARD OF EDUCATION  
ROSELLE PARK, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**ROSELLE PARK BOARD OF EDUCATION**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**PREPARED BY**

**ROSELLE PARK BOARD OF EDUCATION  
FINANCE DEPARTMENT**

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\*Private citizens should be listed as Individual Taxpayer 1, Individual Taxpayer 2, etc.

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## **INTRODUCTORY SECTION**



*Roselle Park Public Schools  
510 Chestnut Street  
Roselle Park, New Jersey 07204*

1.

*"A High Performing District"*

**Patrick M. Spagnoletti**  
Superintendent of Schools  
(908) 245-1197  
FAX (908) 245-1226

**Susan M. Guercio**  
School Business Administrator/  
Board Secretary  
(908) 245-2103

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November 6, 2012

Honorable President and  
Members of the Board of Education  
Roselle Park School District  
County of Union, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the Roselle Park School District for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rest with the management of the board of education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the district's organizational chart and a list of principle officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The district is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Roselle Park School District is an independent reporting entity within the criteria adopted by the GASB as<sup>2</sup> established by NCGA Statement No.3. All funds and account groups of the district are included in this report. The Roselle Park Board of Education and all its schools constitute the district's reporting entity.

The district provides a full range of educational services appropriate to grade levels pre-school handicapped, and grades kindergarten through 12 (K-12). These include regular and special education for handicapped youngsters. The district also provides after-school care (extended day) for elementary and middle school children, and a summer camp for parents who need or desire care for their children beyond the traditional school year.

The district also finds itself in the unique position of providing recreational services to the community, county, and state through its operation of the Green Acres Athletic Complex. The complex is used on a regular basis by local and county athletic groups, as well as by individuals of all ages. The board maintains for their use the baseball, softball, football, soccer, tennis, and basketball facilities.

The district completed the 2011-2012 school year with an enrollment of 2005 students, which represents a increase of 5 students over the previous June 30 enrollment.

2. **ECONOMIC CONDITION AND OUTLOOK:** Roselle Park is a community that lacks commercial and industrial ratables. Since eight of the top ten taxpayers are apartment complex owners, only two out of the ten largest taxpayers require no services from the school district. The apartment dwellers are responsible for generating approximately one-fifth of the total student population.

The municipal government is involved in an ongoing program of "downtown revitalization" which at best should provide very modest relief for taxpayers in general. Since the town is almost completely developed, there is limited potential for new expansion in either the commercial, industrial, or residential sector.

Property owners directly, and apartment dwellers indirectly, will continue to shoulder the major proportion of property taxes, based upon the current school funding formula.

3. **CURRICULUM/STAFF DEVELOPMENT:** The Roselle Park School District continues to make professional development a top priority. Knowing that teachers need to keep abreast of best practices in order to provide a high quality education to our students, two full days and six half days were set aside during the 2011/2012 school year for professional development experiences. Programs were presented in the areas of balanced literacy, special education, core curriculum content standards, mathematics, technology and instructional practices. Continued professional development assisted teachers in grades 3 - 5 in providing a balanced literacy program. The district has made a commitment to the implementation of Orton- Gillingham in the K - 2 classroom. Title 1 funds were utilized to send K - 2 teachers to one week Orton-Gillingham workshops. In order to best prepare teachers for the opening of school, teachers in grades K - 5 were invited to attend a workshop on the new writing program. In addition K - 2 teachers were

invited to attend a workshop on the Envision Math series that was adopted by the district. These workshops were well received; the majority of staff<sup>3</sup> members took advantage of the opportunities. Professional Learning Communities which enable our teachers to examine student work, address problems and explore instructional strategies met on a regular basis throughout the school year.

As part of the district's five year curriculum review cycle, a new elementary music textbook series was adopted. In addition a writing program was adopted for grades K - 8. At the high school level a new series of textbooks was adopted for Accounting and French. Various novels were purchased for the middle and high school language arts program. The district continues to purchase leveled readers for the guided reading program.

All curricula is continually updated and aligned to the NJ Core Curriculum Content Standards and the Common Core Standards for Language Arts and Mathematics.

An ESL- Bilingual program waiver was submitted and approved. Two periods of high intensity ESL is provided to all students of Hispanic decent. Once again a Title 1/ ESL summer program was offered to Title 1 and LEP students in grades K - 12. This summer program was funded through NCLB. Approximately 90 students attended this learning experience.

As part of the district's commitment to infuse technology into the curriculum Mimeoos were installed in all elementary classrooms. In addition, 25 iPads were purchased for each of the elementary schools. 30 iPads were purchased for the middle school and the 40 iPads were purchased for the high school. Teachers are provided with subscriptions to Learning A - Z, Starfall and Brain Pop to enhance the curriculum. Technology equipment and programs are continually researched. The technology infrastructure is continually updated.

The Roselle Park School District has developed a comprehensive plan for professional development for the 2012/2013 school year. Introduction of the Teachscape evaluation tool and associated rubrics that will guide our observation/evaluation process will be a professional development focus throughout the year. We are in position to successfully implement and train staff in preparation of the TEACHNJ Act changing committee roles and responsibilities for the 2013-2014 school year. In addition, a series of out of district workshops have been chosen for teachers to attend. The teachers selected to participate in these workshops will turnkey the information to other teachers in the district. This plan will enable the faculty to formulate instruction that meets the needs of the students. In district workshops are planned that focus on the common core standards in language arts and math. Para professionals will continue to receive ongoing professional development to enable them to work successfully in the self-contained, and/or inclusion setting. Technology training which will include using the iPads in the classroom will be ongoing. Professional Learning Communities will continue to meet throughout the year.

**4. INTERNAL ACCOUNTING CONTROLS:** District management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principals (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the district also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the district management.

As part of the district's single audit requirement, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the district has complied with applicable laws and regulations.

**5. BUDGETARY CONTROLS:** In addition to internal accounting controls, the district maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2012.

**6. ACCOUNTING SYSTEM AND REPORTS:** The district's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the district is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

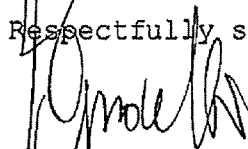
7. CASH MANAGEMENT: The investment policy of the district is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart and Company, CPA's, conducted the audit for the board of education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-128 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the financial section of this report.

10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Roselle Park Board of Education for their desire to provide fiscal accountability to the citizens and taxpayers of the school district, and thereby contributing their full support to the development and maintenance of our financial operations. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



Patrick M. Spagnoletti  
Superintendent of Schools



Susan Guercio  
School Business Administrator/Board Secretary

**ROSELLE PARK BOARD OF EDUCATION**

**ROSELLE PARK, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2012**

<b><u>Members of the Board of Education</u></b>	<b><u>Term</u></b>
Roseann Rinaldi, President	2012
Loren Harms, Vice-President	2013
Alexander J. Balaban	2012
Barney Leinberger	2012
Christopher Miller	2014
Scott Nelson	2013
Jeffrey Parrell	2013
Barbara Sokol	2014
Troy Gerten	2014

**Other Officials**

Patrick M. Spagnoletti, Superintendent

Susan M. Guercio, Board Secretary/School Business Administrator

Gregory Meyer, Treasurer

Anthony Sciarrillo, Esq., Board Attorney

**ROSELLE PARK BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**Audit Firm**

Robert A. Hulsart & Company  
P.O. Box 1409  
2807 Hurley Pond Road  
Wall, New Jersey 07719

**Attorney**

Anthony Sciarrillo  
53 Cardinal Drive  
P.O. Box 2369  
Westfield, New Jersey 07091

**Official Depository**

TD Bank, N.A.  
37 St. George Avenue  
Roselle, New Jersey 07203

**Architect**

The Musial Group, p.a.  
191 Mill Lane  
Mountainside, New Jersey 07092

**Health and Dental**

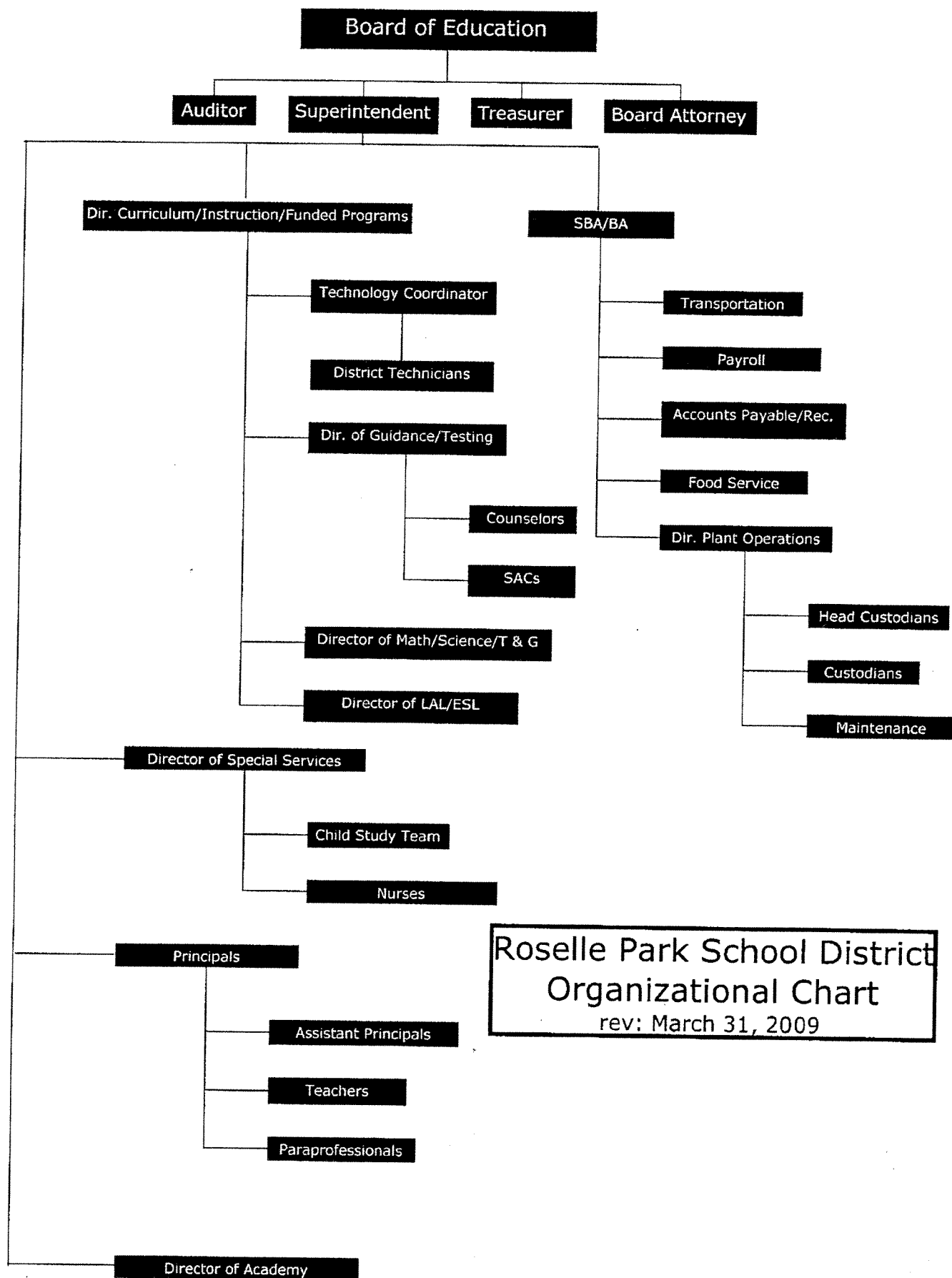
Brown & Brown Benefit Advisors  
430 Mountain Avenue  
Murray Hill, New Jersey 07974

**Property and Casualty**

Davies & Associates, Inc.  
80 Floral Avenue  
Murray Hill Square  
Murray Hill, New Jersey 07974

**Bond Counsel**

Ronald J. Ianoale  
McManimon & Scotland, L.L.C.  
One Riverfront Plaza  
Fourth Floor  
Newark, New Jersey 07102-5408



**Roselle Park School District**  
**Organizational Chart**  
 rev: March 31, 2009



## **FINANCIAL SECTION**

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)

ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.

ROBERT A. HULSART, JR., C.P.A., P.S.A.

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

Telecopier:

(732) 280-8888

e-mail:

rah@monmouth.com

2807 Hurley Pond Road • Suite 100

P.O. Box 1409

Wall, New Jersey 07719-1409

(732) 681-4990

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Roselle Park School District  
County of Union  
Roselle Park, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Roselle Park School District, in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Roselle Park Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Roselle Park Board of Education, in the County of Union, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2012, on our consideration of the Roselle Park Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 17 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Roselle Park Board of Education's basic financial statements. The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

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Robert A. Hulsart  
Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company

November 6, 2012

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

**ROSELLE PARK PUBLIC SCHOOL DISTRICT**  
**BOROUGH OF ROSELLE PARK**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

The discussion and analysis of Roselle Park School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

### **Financial Highlights**

Key Financial highlights for the 2011-2012 fiscal year are as follows:

- Total assets as of June 30, 2012 were \$44,463,236 which included \$179,758 for Proprietary funds.
- The total Governmental net assets included \$34,310,044 of capital assets and \$642,625 of restricted assets designated for state and federal projects, capital projects, and capital reserve.
- Total revenues for the year were \$33,848,669 which included \$32,806,843 in Governmental Funds, and \$1,041,826 for Proprietary Funds. Governmental Funds accounted for 96.92% of all revenues.
- There was state aid payments of \$973,403 that was not made in 2011-12 as a result of the New Jersey Legislature's Appropriations Act. This amount will be recognized in 2012-13.
- The General Fund revenues included \$10,049,902 of regular state aid payments; \$2,430,126 in state payments for Teacher's Pension and Annuity Fund (TPAF) and the reimbursed employer's share of Social Security for TPAF employees.
- Special Revenue Fund revenues were \$940,064 of which \$17,474 was for local projects, \$922,500 for federal projects. Special Revenue Funds made up 2.8% of the total of all Governmental Funds.
- Proprietary Fund revenues included \$659,704 for food service and \$382,122 for Summer Camp programs.
- Total District expenditures were \$33,945,222 of which \$32,933,587 were for Governmental Funds and \$1,011,635 for Proprietary Funds.

## Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Roselle Park School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets and Statement of Activities* provide information about the activities of the whole school district, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Roselle Park School District, the General Fund is the most significant fund, with the Special Revenue Fund and certain Proprietary Funds also having significance.

The School Board's auditor has provided assurance in his Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

## Reporting the School District as a Whole

### Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions. The Statement of Net Assets and the Statement of Activities helps provide this information. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental activities – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund, the Extended Day Care and Summer Camp Programs are reported as a business activities.

## Reporting the School District's Most Significant Funds

### Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund and Debt Service Fund.

### Governmental Funds

The School District's activities are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The Governmental Fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental Fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and Governmental Funds is reconciled in the financial statements.

### Proprietary Funds

The Proprietary Funds uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

### The School District as a Whole

Table 1 provides a summary of the School District's net assets for the fiscal year 2011-2012.

**Table 1**  
**Net Assets**

	<u>2011-2012</u>	<u>2010-2011</u>
<b><u>Assets</u></b>		
Current and Other Assets	\$ 1,859,240	1,658,096
Capital Assets, Net	<u>42,603,996</u>	<u>42,902,164</u>
Total Assets	<u>\$ 44,463,236</u>	<u>44,560,260</u>
<b><u>Liabilities</u></b>		
Long-Term Liabilities	\$ 8,496,130	7,680,676
Other Liabilities	<u>952,363</u>	<u>1,058,193</u>
Total Liabilities	<u>\$ 9,448,493</u>	<u>8,738,869</u>
<b><u>Net Assets</u></b>		
Invested in Capital Assets, Net of Debt	\$ 34,314,722	35,513,582
Restricted	1,836,282	1,734,712
Unrestricted	<u>(1,136,261)</u>	<u>(1,426,903)</u>
Total Net Assets	<u>\$ 35,014,743</u>	<u>35,821,391</u>

Table 2 shows the changes in net assets for fiscal year 2011-2012.

**Table 2**  
**Changes in Net Assets**

	<u>2011-2012</u>	<u>2010-2011</u>
<b><u>Revenues</u></b>		
Program Revenues		
Charges for Services	\$ 1,429,924	1,169,216
Operating Grants and Contributions	1,663,713	1,220,942
General Revenues		
Property Taxes	18,199,169	18,202,846
Grants and Entitlements	12,425,426	11,734,108
Other	<u>130,437</u>	<u>137,597</u>
Total Revenues	<u>33,848,669</u>	<u>32,464,709</u>
<b><u>Program Expenses</u></b>		
Instruction	13,833,631	12,771,933
Tuition	1,220,452	1,184,976
Depreciation	290,431	289,817
Support Services		
Pupils/Instructional Services	3,249,222	3,032,352
Administrative-General, School, Business	2,406,751	2,367,981
Operations and Maintenance of Facilities	2,367,844	2,486,350
Pupil Transportation	293,762	313,355
ARRA		
Employee Benefits	8,464,114	8,303,438
Debt Service	221,476	290,151
Food Service	665,172	640,947
Day Care/Summer Camp	<u>346,463</u>	<u>348,641</u>
Total	<u>33,359,318</u>	<u>32,029,941</u>
Increase (Decrease) in Net Assets	<u>\$ 489,351</u>	<u>434,768</u>

### **Governmental Activities**

Local property taxes accounted for 55.47% of governmental fund revenues in 2011-12.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student.

Extra Curricular activities include school sponsored co-curricular activities such as publications, clubs, drama and music as well as interscholastic athletics.

Pupils/Instructional services include the activities involved with providing support services to pupils, both regular and special education, educational media services and assisting the staff with the content and process of teaching to students, including curriculum and staff development.



## **Governmental Activities (Continued)**

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Employee Benefits represent the cost of employer's share of pension and social security, health and dental insurance premiums, compensation for retiring employees' accumulated sick leave pursuant to collective bargaining agreements, and custodial uniforms.

Capital Outlay includes equipment items with a unit cost of \$2,000 or more, and facilities acquisition and construction services.

Debt Service involves the transactions associated with the payment of principal and interest on previously authorized debt incurred by the School District.

## **Business-Type Activities**

Revenues for the District's business-type activities (food service program and summer camp) were comprised of charges for services and federal and state reimbursements.

- Food service expenses exceeded revenues by \$5,468.
- Charges for services represent \$341,124 of revenue. This represents amount paid by patrons for daily food services.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$318,580.
- The Summer Camp program, which is a fee for service program, had total revenues of \$382,122.

## **The School Board's Funds**

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allows the School Board to demonstrate its stewardship over and accountability for resources received from the Borough of Roselle Park's taxpayer's and other entities, including the State of New Jersey and the Federal Government. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

The School Board's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures. A schedule showing the School Board's original and final budget compared with actual operating results is provided in the section of the CAFR, entitled Budgetary Comparison Schedules.

### The School Board's Funds (Continued)

On June 30, 2012 the district's General Fund balance was \$2,578,234. This amount will be reduced by encumbrances of \$579,500, \$100 for Capital Reserve, and \$852,897 of excess surplus which is mandated for tax relief in 2013-2014; and \$403,721 for tax relief in 2012-2013, leaving an unrestricted balance of \$741,956. The unrestricted balance represents 2% of the current year's budget. This relatively low surplus is primarily the result of utilizing surplus funds in previous years for tax relief, and the reduction of state aid.

### Capital Assets

At June 30, 2012, the School Board had approximately \$43,228,876 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table 3 below shows the net book value of capital assets at the end of the 2012 fiscal year.

**Table 3**

	<b><u>Governmental Activities</u></b>	<b><u>Business Type Activities</u></b>
Capital Assets at June 30, 2012		
Land and Improvements	\$ 28,326,867	
Buildings	14,646,198	
Machinery, Equipment and Vehicles	<u>251,133</u>	<u>4,678</u>
Total	<u>\$ 43,224,198</u>	<u>4,678</u>

### Debt Administration

At June 30, 2012, the School District had \$9,181,602 as outstanding debt. Of this amount \$892,328 is for compensated absences, and \$7,675,000 for bonds for school improvement, \$4,692 in loans payable, and \$609,582 in capital leases.

### Economic Factors and Next Year's Budget

At this time, the most important factor affecting the budget is the unsettled situation with State Aid, and recent legislation affecting future school budgets. The District can only assume that current funding levels from the state will be maintained, however, the legislation further restricts budget growth. The District expects to experience additional growth in student population. Additionally costs for personnel, special education and energy are expected to continue to increase. The tax levy will likely be the area that will need to absorb most of the increase in budget obligations.

In conclusion, the Roselle Park School District has committed itself to a thorough and efficient operation for delivering educational services to its school children. The School District is carefully managing its resources, and is planning to meet its future educational needs in as fiscally prudent a manner as possible.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Susan Guercio, School Business Administrator/Board Secretary at Roselle Park Board of Education, 510 Chestnut Street, Roselle Park, NJ 07204.

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS – A**

**ROSELLE PARK SCHOOL DISTRICT****STATEMENT OF NET ASSETS****Exhibit A-1****JUNE 30, 2012**

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ -	115,071	115,071
Receivables, Net	394,543	51,211	445,754
Inventory		8,798	8,798
Restricted Assets:			
Cash and Cash Equivalents	1,289,517		1,289,517
Capital Reserve Account - Cash	100		100
Capital Assets - (Non-Depreciable)	27,615,850		27,615,850
Capital Assets, Net (Note 2)	14,983,468	4,678	14,988,146
Total Assets	<u>44,283,478</u>	<u>179,758</u>	<u>44,463,236</u>
<b><u>Liabilities</u></b>			
Accounts Payable and Accrued Interest	69,882		69,882
Deferred Revenue	79,325		79,325
Noncurrent Liabilities: (Note 3)			
Due Within One Year	582,346	117,684	700,030
Due Beyond One Year	8,389,674		8,389,674
Total Liabilities	<u>9,121,227</u>	<u>117,684</u>	<u>9,238,911</u>
<b><u>Net Assets</u></b>			
Invested in Capital Assets, Net of Related Debt	34,519,626	4,678	34,524,304
Restricted For:			
Debt Service	4		4
Other	1,836,278		1,836,278
Unrestricted	<u>(1,193,657)</u>	<u>57,396</u>	<u>(1,136,261)</u>
Total Net Assets	<u>\$ 35,162,251</u>	<u>62,074</u>	<u>35,224,325</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>					
Instruction:					
Regular	\$ 9,139,762		(9,139,762)		(9,139,762)
Special Education	3,215,878	648,229	(1,860,971)		(1,860,971)
Other Special Instruction	889,953		(889,953)		(889,953)
Other Instruction	588,038		(588,038)		(588,038)
Support Services:					
Tuition	1,220,452		(1,220,452)		(1,220,452)
Student & Instruction Related Services	3,249,222	286,361	(2,962,861)		(2,962,861)
School Administrative Services	614,682		(614,682)		(614,682)
General and Business Administrative Services	1,792,069		(1,792,069)		(1,792,069)
Plant Operations and Maintenance	2,367,844		(2,367,844)		(2,367,844)
Pupil Transportation	293,762		(293,762)		(293,762)
Employee Benefits	8,110,462	56,891	(8,053,571)		(8,053,571)
Interest on Long-Term Debt	221,476		(221,476)		(221,476)
Education Jobs	353,652	353,652	-		-
Depreciation	290,431		(290,431)		(290,431)
Total Government Activities	32,347,683	1,345,133	(30,295,872)	-	(30,295,872)
<b>Business-Type Activities:</b>					
Food Service and Miscellaneous	1,011,635	318,580		30,191	30,191
Total Business-Type Activities	1,011,635	318,580	-	30,191	30,191
Total Primary Government	33,359,318	1,429,924	(30,295,872)	30,191	(30,265,681)

STATEMENT OF ACTIVITIESFOR THE YEAR ENDED JUNE 30, 2012

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
General Revenues:						
Taxes						
Property Taxes, Levied for General Purpose, Net				\$ 17,505,170		17,505,170
Taxes Levied for Debt Service				693,999		693,999
Federal and State Aid Not Restricted				12,425,426		12,425,426
Miscellaneous Income				130,437		130,437
Total General Revenues, Special Items, Extraordinary Items and Transfers				30,755,032	-	30,755,032
Change in Net Assets				459,160	30,191	489,351
Adjustment for Refunding Bonds				(1,295,999)		(1,295,999)
Net Assets - Beginning				35,789,508	31,883	35,821,391
Net Assets - Ending				\$ 34,952,669	62,074	35,014,743

The accompanying Notes to Financial Statements are an integral part of this statement.



## **FUND FINANCIAL STATEMENTS – B**

**BALANCE SHEET****GOVERNMENTAL FUNDS****JUNE 30, 2012**

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>	<b><u>Debt Service Fund</u></b>	<b><u>Total Governmental Funds</u></b>
<b><u>Assets</u></b>				
Cash and Cash Equivalents-Restricted	\$ 1,289,613		4	1,289,617
Receivables, Net	276,803	117,740		394,543
Interfund Receivable	38,415			38,415
Total Assets	<u>\$ 1,604,831</u>	<u>117,740</u>	<u>4</u>	<u>1,722,575</u>
<b><u>Liabilities and Fund Balance</u></b>				
Liabilities:				
Interfund Payable	\$ -	38,415		38,415
Deferred Revenue		79,325		79,325
Total Liabilities	<u>-</u>	<u>117,740</u>	<u>-</u>	<u>117,740</u>
Fund Balance:				
Restricted for:				
Excess Surplus	852,897			852,897
Committed To:				
Capital Reserve Account	100			100
Designated for Subsequent Year's Expenditures				
Excess Surplus	403,721			403,721
Assigned To:				
Other Purposes	579,560			579,560
Unassigned:				
Debt Service			4	4
General Fund	(231,447)			(231,447)
Total Fund Balances	<u>1,604,831</u>	<u>-</u>	<u>4</u>	<u>1,604,835</u>
Total Liabilities and Fund Balance	<u>\$ 1,604,831</u>	<u>117,740</u>	<u>4</u>	

Amounts reported for governmental activities in the Statement of Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$53,500,941 and the accumulated depreciation is \$10,901,623.

42,599,318

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 3)

(8,972,020)

Accrued Interest

(69,882)

Net assets of governmental activities

\$ 35,162,251

The accompanying Notes to Financial Statements are an integral part of this statement.

**ROSELLE PARK SCHOOL DISTRICT**

**Exhibit B-2  
Sheet 1 of 2**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2012**

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>	<b><u>Debt Service Fund</u></b>	<b><u>Total Governmental Funds</u></b>
<b><u>Revenues</u></b>				
Local Sources:				
Local Tax Levy	\$ 17,505,170		693,999	18,199,169
Tuition Charges	706,678			706,678
Interest on Investments	1,947			1,947
Enterprise Fund	100,000			100,000
Miscellaneous	28,490	17,473		45,963
Total Local Sources	18,342,285	17,473	693,999	19,053,757
State Sources	12,424,756		670	12,425,426
Federal Sources	410,543	917,117		1,327,660
Total Revenues	31,177,584	934,590	694,669	32,806,843
<b><u>Expenditures</u></b>				
Current:				
Regular Instruction	9,144,418			9,144,418
Special Education Instruction	2,567,649	648,229		3,215,878
Other Special Instruction	889,953			889,953
Other Instruction	588,038			588,038
Support Services and Undistributed Costs:				
Tuition	1,220,452			1,220,452
Student and Instruction Related Services	2,979,337	269,885		3,249,222
School Administrative Services	614,682			614,682
Other Administrative Services	1,792,069			1,792,069
Plant Operations and Maintenance	2,320,146			2,320,146
Pupil Transportation	293,762			293,762
Unallocated Benefits	8,110,462			8,110,462
Debt Service:				
Principal			402,345	402,345
Interest and Other Charges			292,325	292,325
Capital Outlay	429,707	16,476		446,183
Education jobs	353,652			353,652
Total Expenditures	31,304,327	934,590	694,670	32,933,587

**ROSELLE PARK SCHOOL DISTRICT**

**Exhibit B-2  
Sheet 2 of 2**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
	<u>(126,743)</u>	<u>-</u>	<u>(1)</u>	<u>(126,744)</u>
Excess (Deficiency) of Revenues Over Expenditures				
Other financing Sources and (Uses)	400,000			400,000
Capital Leases				
Net Change in Fund Balances	273,257	-	(1)	273,256
Fund Balance - July 1	<u>1,331,574</u>		<u>5</u>	<u>1,331,579</u>
Fund Balance - June 30	<u>\$ 1,604,831</u>	<u>-</u>	<u>4</u>	<u>1,604,835</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**ROSELLE PARK SCHOOL DISTRICT****Exhibit B-3****RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES****AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS****TO THE STATEMENT OF ACTIVITIES****JUNE 30, 2012**

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$ 273,256
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	(290,431)	
Capital Outlays	<u>(1,515)</u>	
		(291,946)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		
		402,345
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
Accrued Interest		70,849
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.		
		<u>4,656</u>
Change in Net Assets of Governmental Activities		<u>\$ 459,160</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**ROSELLE PARK SCHOOL DISTRICT****STATEMENT OF NET ASSETS****Exhibit B-4****PROPRIETARY FUNDS****JUNE 30, 2012**

	<b><u>Business-Type Activities Enterprise Funds</u></b>
<b><u>Assets</u></b>	
Current Assets:	
Cash and Cash Equivalents	\$ 115,071
Accounts Receivable:	
State	1,434
Federal	49,777
Inventory	8,798
Total Current Assets	<u>175,080</u>
Noncurrent Assets	
Equipment	303,698
Accumulated Depreciation	<u>(299,020)</u>
Total Fixed Assets	<u>4,678</u>
Total Assets	<u><u>\$ 179,758</u></u>
<b><u>Liabilities</u></b>	
Current Liabilities:	
Accounts Payable	<u>\$ 117,684</u>
Total Current Liabilities	<u><u>\$ 117,684</u></u>
<b><u>Net Assets</u></b>	
Investment in Capital Assets	\$ 4,678
Unrestricted	<u>57,396</u>
Total Net Assets	<u><u>\$ 62,074</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS****Exhibit B-5****PROPRIETARY FUNDS****JUNE 30, 2012**

	<b><u>Business-Type Activities Enterprise Funds</u></b>
Operating Revenues:	
Daily Sales	\$ 341,124
Fees Charged	382,122
Total Operating Revenues	<u>723,246</u>
Operating Expenses:	
Salaries	544,186
Other Employee Benefits	58,495
Contracted Services	328,746
Supplies and Materials	39,298
Utilities	6,716
Depreciation	6,222
Miscellaneous	27,972
Operating Expenses	<u>1,011,635</u>
Operating Gain/(Loss)	(288,389)
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	7,587
Federal Sources:	
National School Lunch Program	243,131
Breakfast Program	19,052
Food Distribution Program	48,810
Total Non-Operating Revenues	<u>318,580</u>
Change in Net Assets	30,191
Total Net Assets - Beginning	<u>31,883</u>
Total Net Assets - Ending	<u><u>\$ 62,074</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**ROSELLE PARK SCHOOL DISTRICT****STATEMENT OF CASH FLOWS****PROPRIETARY FUNDS****JUNE 30, 2012****Exhibit B-6**

	<b>Business-Type Activities Enterprise Funds</b>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 723,246
Payments for Salaries	(545,186)
Payments to Suppliers	(519,270)
Net Provided (Used) by Operating Activities	<u>(341,210)</u>
Cash Flows from Noncapital Financing Activities	
Federal & State Sources	<u>269,770</u>
Net Cash Provided by Noncapital Financing Activities	<u>269,770</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(71,440)
Balances - Beginning of Year	<u>186,511</u>
Balances - End of Year	<u><u>\$ 115,071</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (288,389)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities	
Federal Commodities Consumed	48,810
Depreciation	6,222
Decrease/(Increase) in Inventory	(2,647)
(Decrease)/Increase in Accounts Payable	(108,250)
Decrease/(Increase) in Accounts Receivable	<u>3,044</u>
Net Provided (Used) by Operating Activities	<u><u>\$ (341,210)</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.



**ROSELLE PARK SCHOOL DISTRICT**

**STATEMENT OF FIDUCIARY NET ASSETS**

Exhibit B-7

**FIDUCIARY FUNDS**

**JUNE 30, 2012**

	<b><u>Unemployment Compensation Trust</u></b>	<b><u>Scholarship Fund</u></b>	<b><u>Agency Fund</u></b>
Assets:			
Cash and Cash Equivalents	\$ 49,605	6,291	244
Total Assets	<u>\$ 49,605</u>	<u>6,291</u>	<u>244</u>
Liabilities:			
Payroll Deductions and Withholdings	\$ -		244
Total Liabilities			<u>244</u>
Net Assets:			
Reserved - Scholarship		6,291	
Reserved - Unemployment Benefits	49,605		
Total Net Assets	<u>\$ 49,605</u>	<u>6,291</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

**ROSELLE PARK SCHOOL DISTRICT****STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS****Exhibit B-8****FIDUCIARY FUNDS****JUNE 30, 2012**

	<b>Unemployment Compensation Trust</b>	<b>Scholarship Fund</b>
<b><u>Additions</u></b>		
Contributions	\$ 29,878	5,910
Total Contributions	29,878	5,910
Investment Earnings:		
Interest	55	4
Net Investments Earnings	55	4
Total Additions	29,933	5,914
<b><u>Deductions</u></b>		
Unemployment Claims	63,541	
Scholarship Payments		1,600
Total Deductions	63,541	1,600
Change in Net Assets	(33,608)	4,314
Net Assets - Beginning of Year	83,213	1,977
Net Assets - End of Year	\$ 49,605	6,291

The accompanying Notes to Financial Statements are an integral part of this statement.

## **NOTES TO FINANCIAL STATEMENTS**

**BOARD OF EDUCATION**  
**ROSELLE PARK SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**NOTE 1:      Summary of Significant Accounting Policies**

The financial statements of the Board of Education (Board) of the Roselle Park School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

**A.      Reporting Entity:**

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of appointed officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The government-wide and fund financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include three elementary schools, a middle school and a high school located in Roselle Park, County of Union, New Jersey. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. GASB Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. Furthermore the District is not includable in any other reporting entity on the basis of such criteria.

**B.      Government-wide and Fund Financial Statements**

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities such as student activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by state and federal aid, tuition and county tax levies, from business-type activities generally financed in whole or in part with fees charged to external customers.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**B. Government-Wide Financial Statements (Continued)**

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

Fund financial statements are provided for governmental, proprietary and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the property tax levy. In general, other revenues are recognized when cash is received.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

**D. Fund Accounting:**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

**Governmental Fund Types**

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**Proprietary Fund Type**

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued):**

**Fiduciary Fund Types**

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Unemployment Compensation Trust Fund: The trust fund is used to account for assets held under the terms of a formal trust agreement. The District reimburses the costs of unemployment benefits paid by the New Jersey Department of Labor.

Private-Purpose Trust Fund: The trust fund encompasses other trust fund arrangements for which principal and income benefit individuals outside of the school district. The District issued scholarships to students.

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

**E. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2012 were insignificant, except for adjustments due to the reductions in state aid.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**E. Budgets/Budgetary Control (Continued):**

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. All uncommitted budget appropriations lapse at year-end.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

A reconciliation of the special revenue funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule (C-2) to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (B-2) is presented in the Budget-to-GAAP Reconciliation (C-3).

The following represents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types. Note that the district does not report encumbrances outstanding at year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment.

**F. Encumbrances:**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues and/or reductions of receivables of other governments at fiscal year end.



**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**F. Encumbrances (Continued):**

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**G. Short-Term Interfund Receivables/Payables:**

Short-Term interfund receivables/payables represents amounts that are owed, other than charges for good or services rendered to/from a particular fund in the District and that are due within one year.

**H. Inventories and Prepaid Expenses**

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

**I. Capital Assets and Depreciation**

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The District contracted with an outside service company during the 2003 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report dated October 10, 2002, included capital assets purchased during the 2002 fiscal year and prior with a historical cost of \$500 or more and capital assets purchased during the 2002-03 fiscal year with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2003, fiscal year 2003 depreciation expense, total accumulated depreciation and book values were also provided. The District has provided updates subsequent to 2003. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

The District currently has software that maintains proper capital asset and depreciation records.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**I. Capital Assets and Depreciation (Continued)**

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance June 30, 2012</u>
Governmental Activities:					
Capital Assets That are Not Being Depreciated:					
Land	\$ 27,615,850				27,615,850
Capital Leases		624,880			624,880
Total Capital Assets Not Being Depreciated	<u>27,615,850</u>	<u>624,880</u>			<u>28,240,730</u>
Depreciable Assets:					
Site Improvements	957,203				957,203
Buildings & Sites	19,345,286				19,345,286
Equipment	<u>5,584,117</u>			1,515	<u>5,582,602</u>
Total	<u>25,886,606</u>			<u>1,515</u>	<u>25,885,091</u>
Less: Accumulated Depreciation:					
Sites	(855,352)	(15,714)			(871,066)
Buildings	(4,482,635)	(216,453)			(4,699,088)
Equipment	<u>(5,273,205)</u>	<u>(58,264)</u>			<u>(5,331,469)</u>
Total Accumulated Depreciation	<u>(10,611,192)</u>	<u>(290,431)</u>			<u>(10,901,623)</u>
Net Depreciable Assets	<u>15,275,414</u>	<u>(290,431)</u>		<u>1,515</u>	<u>14,983,468</u>
Governmental Activities Capital Assets (Net)	<u>\$ 42,891,264</u>	<u>334,449</u>		<u>1,515</u>	<u>43,224,198</u>
Business-Type Activities:					
Equipment	\$ 303,698				303,698
Less Accumulated Depreciation for:					
Equipment	<u>(292,798)</u>	<u>(6,222)</u>			<u>(299,020)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 10,900</u>	<u>(6,222)</u>			<u>4,678</u>

**NOTE 1:      Summary of Significant Accounting Policies (Continued)****I.      Capital Assets and Depreciation (Continued)**

Accumulated depreciation was allocated to governmental activities as follows:

	<b><u>Prior Years' Accumulated Depreciation</u></b>	<b><u>Current Year Depreciation Expense</u></b>	<b><u>Total Accumulated Depreciation</u></b>
Instruction	\$ 1,380,768		1,380,768
Support Services	2,778,113		2,778,113
Unallocated	<u>6,452,311</u>	<u>290,431</u>	<u>6,742,742</u>
	<u>\$ 10,611,192</u>	<u>290,431</u>	<u>10,901,623</u>

**J.      Compensated Absences**

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable

**K.      Deferred Revenue**

Deferred revenue in the general and special revenue funds represent cash which has been received but not yet earned. Deferred revenue in the general fund represents property tax levy monies received for fiscal year 2012. See Note 1(F) regarding the special revenue fund.

**L.      Fund Equity**

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve.

**NOTE 2:      Cash and Cash Equivalents and Investments**

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

**NOTE 2:      Cash and Cash Equivalents and Investments (Continued)****Deposits**

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

**Investments**

New Jersey statutes permit the District to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank for cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

As of June 30, 2012, cash and cash equivalents and investments of the District consisted of the following:

	<b>Cash and Cash <u>Equivalents</u></b>
Checking, Money Market Accounts And Certificate of Deposit	<u>\$ 1,541,161</u>

**NOTE 2:      Cash and Cash Equivalents and Investments (Continued)****Investments (Continued)**

The carrying amount of the District's cash and cash equivalents at June 30, 2012 was \$1,541,161 and the bank balance was \$1,993,214. Of the bank balance, \$243,386 was covered by federal depository insurance and \$1,749,820 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

**Credit Risk Categories**

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

GUDPA	\$ 1,749,820
FDIC	243,386

As of June 30, 2012, the District did not hold any long-term investments.

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk.

The District had no uninsured deposits.

**NOTE 3:      General Long-Term Debt**

During the fiscal year ended June 30, 2012, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Long-Term</u> <u>Portion</u>	<u>2012-13</u> <u>Payment</u>
Compensated Absences Payable	\$ 896,984		4,656	892,328	892,328	
Loans Payable	7,037		2,345	4,692	2,346	2,346
Bonds Payable	7,179,000	896,000	400,000	7,675,000	7,195,000	480,000
Capital Leases	<u>209,582</u>	<u>400,000</u>	<u>209,582</u>	<u>400,000</u>	<u>300,000</u>	<u>100,000</u>
	<u>\$ 8,292,603</u>	<u>1,296,000</u>	<u>616,583</u>	<u>8,972,020</u>	<u>8,389,674</u>	<u>582,346</u>

**Capital Leases**

Capital lease for equipment for \$400,000 dated June 12, 2012 for four years at 1.36% interest maturing July 12, 2015 with a balance of \$400,000 at June 30, 2012.

**NOTE 3:      General Long-Term Debt (Continued)**

**Schedule of Capital Leases**

<b><u>2012 Lease</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2012-2013	\$ 100,000		100,000
2013-2014	100,000	5,454	105,454
2014-2015	100,000	3,669	103,669
2015-2016	<u>100,000</u>	<u>1,850</u>	<u>101,850</u>
	<u>\$ 400,000</u>	<u>10,973</u>	<u>410,973</u>

**Loans Payable**

Twenty year loan dated 3/11/94 for \$44,560 at 1.50% interest maturing 7/15/2013 with a balance of \$4,692 at June 30, 2012.

**Schedule of Payments**

	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2012-13	\$ 2,346	53	2,399
2013-14	<u>2,346</u>	<u>18</u>	<u>2,364</u>
	<u>\$ 4,692</u>	<u>71</u>	<u>4,763</u>

**Bonds Payable**

Bonds sold 8/15/2004 for \$9,219,000 at interest from 3.50% to 4.50% maturing 2/15/2025 with a balance of \$7,179,000 at June 30, 2011.

**Sale of Refunding Bonds**

Refunding bonds dated March 20, 2012 were sold for \$5,955,000 against the 2004 issue reducing the amount of bonds outstanding by \$36,000 with \$860,000 remaining open on the original issue as shown on Exhibit I-1.

**NOTE 3:      General Long-Term Debt (Continued)****Schedule of Payments**

	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2013	\$ 480,000	197,086	677,086
2014	450,000	232,800	682,800
2015	470,000	217,200	687,200
2016	485,000	203,100	688,100
2017	515,000	188,550	703,550
2018-2022	2,730,000	650,100	3,380,100
2023-2025	<u>1,685,000</u>	<u>135,000</u>	<u>1,820,000</u>
	<u>\$ 6,815,000</u>	<u>1,823,836</u>	<u>8,638,836</u>

**NOTE 4:      Pension Plans**

**Description of Plans** – All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teacher's Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**Teachers' Pension and Annuity Fund (TPAF)** – The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Public Employees' Retirement System (PERS)** – The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**NOTE 4:      Pension Plans (Continued)**

**Vesting and Benefit Provisions** – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contribution. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**Significant Legislation** - During the year ended June 30, 1997, legislation was enacted Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997), changed the asset valuation method from market related value to full-market value. This legislation also contains a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

**Funding Policy** – The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.



**NOTE 4:      Pension Plans (Continued)**

Legislation enacted during 1993 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 years but less than 20 years of service. The Board will assume the increased cost for the early retirement as it affects their districts.

The District's contributions to PERS for the year ended June 30, 2012 was \$374,183, \$355,222 for 2011 and \$275,010 for 2010, respectively, equal to the required contributions for each year.

During the year ended June 30, 2012, the State of New Jersey contributed \$1,370,098 to the TPAF pension benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,060,028 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

**Three-Year Trend Information for TPAF**

<b><u>Year Funding</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
6/30/12	\$ 1,370,098	100%	0
6/30/11	1,004,047	100%	0
6/30/10	936,730	100%	0

**Three-Year Trend Information for PERS**

<b><u>Year Funding</u></b>	<b><u>Annual Pension Cost (APC)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
6/30/12	\$ 374,183	100%	\$ 0
6/30/11	355,222	100%	0
6/30/10	275,010	100%	0

**NOTE 5:      Post-Retirement Benefits**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

**NOTE 6:      Interfund Receivables and Payables**

	<u>From</u>	<u>To</u>
Special Revenue Fund	\$ 38,415	
General Fund	<u>                    </u>	<u>38,415</u>
	<u>\$ 38,415</u>	<u>38,415</u>

**NOTE 7:      Compensated Absences**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the right to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group (or current and long-term liabilities). The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability balance of compensated absences.

**NOTE 7:      Compensated Absences**

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, no liability existed for compensated absences in the Food Service Fund.

**NOTE 8:      Economic Dependency**

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect of the District's programs and activities.

**NOTE 9:      Capital Reserve Account**

A capital reserve account was established by the Borough of Roselle Park Board of Education by inclusion of \$100 in 1999, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balances in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, July 1, 2011	<u>\$ 100</u>
Ending Balance, June 30, 2012	<u>\$ 100</u>

**NOTE 10:      Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**NOTE 10:     Risk Management (Continued)**

**New Jersey Unemployment Compensation Insurance** – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current year and previous year:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2011-2012	55	29,878	63,541	49,605
2010-2011	192	31,292	28,424	83,213
2009-2010	281	34,213	69,741	80,153

**NOTE 11:     Contingent Liabilities**

The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect of the financial position of the District.

**NOTE 12:     Equity Balance**

At June 30, 2012, the General Fund equity balance was as follows:

Restricted Fund Balance:	
Capital Reserve	\$       100
Excess Surplus	852,897
Designated for Subsequent Years Expenditures – Excess Surplus	403,721
Committed Fund Balance:	
Year-End Encumbrances	579,560
Unassigned Fund Balance	<u>741,956</u>
	<u>\$ 2,578,234</u>

**NOTE 12:     Equity Balance (Continued)****2% Calculation of Excess Surplus**

2011-12 Total General Fund Expenditures Per the CAFR	\$ 30,904,327
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(2,430,126)</u>
Adjusted 2011-12 General Fund Expenditures	<u>\$ 28,474,201</u>
2% of Adjusted 2011-12 General Fund Expenditures	\$ 569,484
Increased by Allowable Adjustments	<u>172,472</u>
Maximum Unassigned Fund Balance	<u>\$ 741,956</u>

**Section 2**

Total General Fund – Fund Balance @ 6-30-12	\$ 2,578,234
Decreased by:	
Reserved for Encumbrances	(579,560)
Designated for Subsequent Years Expenditures – Excess Surplus	(403,721)
Capital Reserve	<u>(100)</u>
Total Unassigned Fund Balance	<u>\$ 1,594,853</u>

**Section 3**

Reserved Fund Balance – Excess Surplus 2013-2014	<u>\$ 852,897</u>
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**Detail of Allowable Adjustments**

Extraordinary Aid	<u>\$ 172,472</u>
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**Detail of Other Reserved Fund Balance**

Capital Reserve	<u>\$ 100</u>
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Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget. Designated for subsequent year's represents the amount appropriated in the 2012-2013 budget.

Unrestricted is surplus not previously committed or reserved for any other purpose.

**NOTE 13: Significant Accounting Pronouncements**

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2012. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2012 through November 6, 2012.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART II**

**BUDGETARY COMPARISON SCHEDULES – C**



**ROSELLE PARK SCHOOL DISTRICT**

Exhibit C-1  
Sheet 1 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2012**

	<b>Original Budget</b>	<b>Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 17,505,170		17,505,170	17,505,170	-
Tuition	494,217		494,217	706,678	212,461
Interest on Investments			-	1,947	1,947
Enterprise Fund	117,644		117,644	100,000	(17,644)
Miscellaneous	15,373		15,373	28,490	13,117
Total Local Sources	18,132,404	-	18,132,404	18,342,285	209,881
State Sources:					
Equalization Aid	8,470,910		8,470,910	8,752,718	281,808
Special Education Aid	1,074,712		1,074,712	1,074,712	-
Extraordinary Aid	50,000		50,000	222,472	172,472
On-Behalf TPAF Pension Contribution (Non-Budgeted)			-	1,370,098	1,370,098
Reimbursed TPAF Social Security Contribution (Non-Budgeted)			-	1,060,028	1,060,028
Total State Sources	9,595,622	-	9,595,622	12,480,028	2,884,406
Federal Sources:					
Jobs Education	353,652		353,652	353,652	-
Medicaid Reimbursement	25,441		25,441	56,891	31,450
Total Federal Sources	379,093	-	379,093	410,543	31,450
Total Revenues	28,107,119	-	28,107,119	31,232,856	3,125,737

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit C-1  
Sheet 2 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2012**

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool		88	88		88
Kindergarten	185,947	3,240	189,187	189,186	1
Grades 1-5	3,191,999	(30,247)	3,161,752	3,161,751	1
Grades 6-8	1,991,298	(107,796)	1,883,502	1,883,408	94
Grades 9-12	2,960,260	245,563	3,205,823	3,205,822	1
Home Instruction:					
Salaries of Teachers	15,000	3,350	18,350	18,349	1
Purchased Professional Educational Services	5,000	21,364	26,364	25,243	1,121
Undistributed:					
Purchased Professional/Educational Services		1,500	1,500	1,500	-
Purchased Technical Services	11,200	3,536	14,736	13,252	1,484
Other Purchased Services	199,896	42,685	242,581	241,187	1,394
General Supplies	86,270	232,527	318,797	228,909	89,888
Textbooks		263,748	263,748	175,611	88,137
Other Objects	1,000	123	1,123	200	923
Total Regular Programs	8,647,870	679,681	9,327,551	9,144,418	183,133
Learning and/or Language Disabilities:					
Specific Learning Disabled:					
Salaries of Teachers	147,940	(26,190)	121,750	121,750	-
Other Salaries for Instruction	112,104	(18,452)	93,652	93,651	1
General Supplies	3,690	1,525	5,215	5,105	110
Textbooks	1,800	(1,800)	-	-	-
Total Specific Learning Disabled	265,534	(44,917)	220,617	220,506	111

**ROSELLE PARK SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 3 of 13**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2012**

	<b>Original Budget</b>	<b>Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Behavioral Disabilities:					
Salaries of Teachers	305,365	(78,182)	227,183	227,183	-
Other Salaries for Instruction	91,279	3,744	95,023	94,944	79
Purchased Professional Educational Services		188	188	188	-
General Supplies	2,700	684	3,384	3,281	103
Textbooks		72	72	72	
Other Objects		61	61	59	2
Total Behavioral Disabilities	399,344	(73,433)	325,911	325,727	184
Multiple Disabilities					
Salaries of Teachers	200,008	(2,193)	197,815	197,814	1
Other Salaries for Instruction	86,708	19,284	105,992	105,866	126
Other Purchased Services	1,350	(1,350)	-	-	-
General Supplies	150	9,520	9,670	8,971	699
Other Objects	500	(403)	97	97	-
Total Multiple Disabilities	288,716	24,858	313,574	312,748	826
Resource Room:					
Salaries of Teachers	1,368,992	5,354	1,374,346	1,374,346	-
General Supplies	9,000	3,930	12,930	12,930	-
Textbooks	900	(74)	826	825	1
Total Resource Room	1,378,892	9,210	1,388,102	1,388,101	1
Autism					
Salaries of Teachers	6,200	(3,224)	2,976	2,976	-
Other Salaries for Instruction		1,711	1,711	1,711	-
General Supplies	600	3,253	3,853	3,851	2
Total Autism	6,800	1,740	8,540	8,538	2

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit C-1  
Sheet 4 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2012**

	<b>Original Budget</b>	<b>Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Preschool Disabilities Part-Time:					
Salaries of Teachers	67,385	90,534	157,919	157,053	866
Other Salaries for Instruction	39,091	14,707	53,798	53,797	1
General Supplies	750	2,008	2,758	2,757	1
Other Objects	300	284	584	584	-
Total Preschool Disabilities Part-Time	107,526	107,533	215,059	214,191	868
Preschool Disabilities Full-Time:					
Salaries of Teachers	65,859	(1,085)	64,774	64,773	1
Other Salaries for Instruction	28,353	4,045	32,398	31,984	414
Supplies		765	765	765	-
Other Objects	300	16	316	316	-
Total Preschool Handicapped	94,512	3,741	98,253	97,838	415
Total Special Programs	2,541,324	28,732	2,570,056	2,567,649	2,407
Basic Skills/Remedial:					
Salaries of Teachers	295,606	90,575	386,181	386,180	1
Total Basic Skills/Remedial	295,606	90,575	386,181	386,180	1
Bilingual Education:					
Salaries of Teachers	490,600	10,923	501,523	500,976	547
General Supplies		2,798	2,798	2,797	1
Total Bilingual Education	490,600	13,721	504,321	503,773	548

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit C-1  
Sheet 5 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2012**

	<b>Original Budget</b>	<b>Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
School Sponsored Co-Curricular & Extra-Curricular Activities:					
Salaries	134,000	(24,000)	110,000	89,333	20,667
Supplies and Materials		29,112	29,112	28,671	441
Other Objects		1,806	1,806	1,806	-
Total Co-Curricular & Extra-Curricular Activities	134,000	6,918	140,918	119,810	21,108
School Sponsored Athletics:					
Salaries	279,323	(43,183)	236,140	236,054	86
Other Purchased Services	32,590	19,850	52,440	35,664	16,776
Supplies and Materials	24,680	2,551	27,231	13,255	13,976
Other Objects	14,500	6,830	21,330	15,517	5,813
Transfers to Cover Deficit	36,900		36,900	36,900	-
Total School Sponsored Athletics	387,993	(13,952)	374,041	337,390	36,651
Community Services:					
Salaries	158,238	(14,246)	143,992	128,879	15,113
Supplies		3,397	3,397	1,959	1,438
Total Community Services	158,238	(10,849)	147,389	130,838	16,551
Total Instruction	12,655,631	794,826	13,450,457	13,190,058	260,399

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit C-1  
Sheet 6 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2012**

	<b>Original Budget</b>	<b>Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Undistributed Expenditures:					
Instruction:					
Transfer To Charter School	9,056	(9,056)	-	-	-
Tuition to Other LEA in State-Regular					
Tuition to Other LEA in State-Special	99,836	113,520	213,356	208,875	4,481
Tuition to County Vocational School	513,500	18,900	532,400	532,400	-
Tuition to County Vocational School - Special	40,000	(18,400)	21,600	21,600	-
Tuition To CSSD & Regular Day Schools	242,041	(139,047)	102,994	102,466	528
Tuition to Private Schools - Handicapped Within State	220,892	118,167	339,059	327,840	11,219
Tuition-State Facilities	28,982	(1,711)	27,271	27,271	-
Total Undistributed Expenditures - Instruction	1,154,307	82,373	1,236,680	1,220,452	16,228
Attendance and Social Work Services:					
Salaries	18,940		18,940	18,940	-
Other Purchased Services		1,905	1,905	1,905	-
Total Attendance and Social Work Services	18,940	1,905	20,845	20,845	-
Health Services:					
Salaries	330,308	2,675	332,983	332,982	1
Purchased Professional Services	15,000	(3,296)	11,704	11,704	-
Other Purchased Services	1,500	(1,500)	-	-	-
Supplies and Materials	1,300	6,568	7,868	4,932	2,936
Total Health Services	348,108	4,447	352,555	349,618	2,937
Other Support Services - Students - Related Services:					
Salaries of Teachers	230,050	2,256	232,306	232,305	1
Purchased Professional Services	20,000	46,469	66,469	57,387	9,082
Supplies and Materials	1,800	1,334	3,134	3,134	-
Total Other Support Services - Students - Related Services	251,850	50,059	301,909	292,826	9,083

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit C-1  
Sheet 7 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2012**

	<b>Original Budget</b>	<b>Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Other Support Services - Students - Extraordinary Services:					
Other Salaries for Instruction	167,318	81,171	248,489	247,963	526
Purchased Professional Services	100,000	(4,412)	95,588	94,787	801
Total Other Support Services - Students - Extraordinary Services	267,318	76,759	344,077	342,750	1,327
Guidance Services:					
Salaries of Other Professional Staff	703,089	61,897	764,986	764,986	-
Salaries of Secretarial Assistants	86,538	2,116	88,654	88,654	-
Purchased Professional Services		204	204	204	-
Supplies and Materials	4,800	(132)	4,668	1,154	3,514
Total Guidance Services	794,427	64,085	858,512	854,998	3,514
Child Study Team Services:					
Salaries of Other Professional Staff	468,137	53,479	521,616	521,616	-
Salaries of Secretarial/Clerical Assistants	59,497	(3,070)	56,427	56,427	-
Other Purchased Professional Services	3,000	22,349	25,349	19,699	5,650
Miscellaneous Purchased Services	500	(28)	472	54	418
Supplies and Materials	3,600	9,837	13,437	5,081	8,356
Other Objects		60	60	60	-
Total Child Study Team Services	534,734	82,627	617,361	602,937	14,424

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit C-1  
Sheet 8 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2012**

	<b>Original Budget</b>	<b>Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Improvement of Instruction:					
Salaries of Supervisors of Instruction	56,350		56,350	56,350	-
Salaries-Other Professional Staff	4,000	(4,000)	-		-
Salaries of Secretarial Assistants	52,205	1	52,206	52,205	1
Supplies and Materials	37,500	12,319	49,819	48,093	1,726
Total Improvement of Instruction	150,055	8,320	158,375	156,648	1,727
Library/Media Services:					
Salaries	322,978	(34,993)	287,985	287,984	1
Other Purchased Services	3,600	(2,892)	708	659	49
Supplies and Materials		1,618	1,618	975	643
Total Educational Media Services	326,578	(36,267)	290,311	289,618	693
Staff Development:					
Salaries - Supervisors of Instruction	56,350	1	56,351	56,350	1
Salaries-Other Professional Staff	3,000	(225)	2,775	1,139	1,636
Other Purchased Services	500	6,999	7,499	6,499	1,000
Supplies	1,000	4,110	5,110	5,109	1
Total Staff Development	60,850	10,885	71,735	69,097	2,638



**ROSELLE PARK SCHOOL DISTRICT**

Exhibit C-1  
Sheet 9 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2012**

	<b>Original Budget</b>	<b>Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
General Administration:					
Salaries	256,245		256,245	256,159	86
Legal Services	85,000	18,065	103,065	88,963	14,102
Audit Fees	20,000	(1,500)	18,500	18,500	-
Other Purchased Professional Services	10,000		10,000	9,200	800
Communications/Telephone	98,800	(34,363)	64,437	63,474	963
Board Travel/Conference Expenses	1,000	1,610	2,610	1,450	1,160
Other Purchased Services	135,000	10,790	145,790	145,276	514
General Supplies	8,000	(3,669)	4,331	2,763	1,568
Miscellaneous Expenditures	16,000	2,089	18,089	14,739	3,350
BOE Membership Dues and Fees	14,000	159	14,159	14,158	1
Total General Administration	644,045	(6,819)	637,226	614,682	22,544
School Administration:					
Salaries of Principals/Assistants	923,497	(51,803)	871,694	871,693	1
Salaries of Other Professional Staff		41,851	41,851	41,850	1
Salaries of Secretarial and Clerical Assistants	388,776	5,979	394,755	394,755	-
Other Purchased Services	42,000	5,244	47,244	42,396	4,848
Supplies and Materials	8,400	5,972	14,372	6,022	8,350
Other Objects		14,114	14,114	7,049	7,065
Total School Administration	1,362,673	21,357	1,384,030	1,363,765	20,265

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit C-1  
Sheet 10 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2012**

	<b>Original Budget</b>	<b>Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Business/Central Services:					
Salaries	295,056	524	295,580	295,579	1
Miscellaneous Purchased Services	13,000	1,761	14,761	10,489	4,272
Supplies and Materials	4,680	7,990	12,670	12,669	1
Miscellaneous Expenditures	1,700	75	1,775	1,625	150
Total Business/Central Services	314,436	10,350	324,786	320,362	4,424
Technology Services:					
Salaries	54,897		54,897	54,896	1
Purchased Technical Services	17,115	(4,343)	12,772	9,897	2,875
Other Purchased Services	4,500	2,995	7,495	7,495	-
Supplies and Materials	25,000	13,392	38,392	34,616	3,776
Other Objects	6,000	(3,857)	2,143	1,038	1,105
Total Technology Services	107,512	8,187	115,699	107,942	7,757
Required Maintenance of School Facilities:					
Salaries	172,328	13,341	185,669	185,668	1
Cleaning, Repair & Maintenance Services	240,000	134,887	374,887	245,933	128,954
General Supplies	62,000	130,465	192,465	184,655	7,810
Other Objects		164	164	163	1
Total Required Maintenance of School Facilities	474,328	278,857	753,185	616,419	136,766

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit C-1  
Sheet 11 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2012**

	<b>Original Budget</b>	<b>Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Operation of Plant:					
Salaries	864,231	(40,442)	823,789	823,760	29
Purchased Professional Services	2,000	5,329	7,329	7,031	298
Cleaning, Repair, Maintenance Services	107,000	2,954	109,954	109,502	452
Rental of Land and Buildings	120,000	10,680	130,680	130,680	-
Other Purchased Property Services	41,000	6,552	47,552	43,826	3,726
Insurance	50,000		50,000	50,000	-
Other Purchased Services	2,000	80	2,080	1,296	784
General Supplies	75,000	19,149	94,149	51,991	42,158
Energy (Heat & Electricity)	349,000	113,895	462,895	438,014	24,881
Other Objects	1,000	1,240	2,240	2,240	-
Salaries-Non-Instructional Aides	50,000	(4,600)	45,400	45,387	13
Energy(Natural Gas)	251,500	(251,500)	-		-
Total Operations and Maintenance of Plant	1,912,731	(136,663)	1,776,068	1,703,727	72,341
Student Transportation Services:					
Other Transportation Salaries	14,000	(4,967)	9,033	8,988	45
Salaries Pupil Transportation-Special Education	35,000	(5,600)	29,400	29,350	50
Salaries Pupil Transportation-Other Bet. Home & Sch.	45,000	28,730	73,730	73,729	1
Cleaning, Repair & Maint.	5,000	2,295	7,295	6,455	840
Contracted Services - Other than Bet Home & School-Vendor	30,000	(11,345)	18,655	18,518	137
Contracted Services-Special Ed-Vendors	15,000	(14,144)	856		856
Contracted Services - Regular-ESCs & CTSA's	70,000	(5,908)	64,092	64,045	47
Transportation - Special Ed- ESC & CTSA's	110,000	(11,226)	98,774	73,677	25,097
Supplies	5,000	17,464	22,464	18,200	4,264
Miscellaneous Expenditures	5,000	(4,070)	930	800	130
Total Student Transportation Services	334,000	(8,771)	325,229	293,762	31,467

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit C-1  
Sheet 12 of 13

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2012**

	<b>Original Budget</b>	<b>Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Employee Benefits:					
Social Security Contributions	390,000	(41,500)	348,500	348,103	397
Other Retirement Contributions-PERS	377,274	(3,091)	374,183	374,183	-
Unemployment Compensation	150,000	(19,849)	130,151	64,863	65,288
Workmen's Compensation	162,366	4,878	167,244	167,244	-
Health Benefits	5,263,488	(690,702)	4,572,786	4,571,343	1,443
Tuition Reimbursement	75,000	(36,000)	39,000	37,657	1,343
Other Employee Benefits	18,500	98,443	116,943	116,943	-
Total Personal Services Employee Benefits	6,436,628	(687,821)	5,748,807	5,680,336	68,471
On-Behalf TPAF Pension Contribution (Non-Budgeted)		-		1,370,098	(1,370,098)
Reimbursed TPAF Social Security Contribution (Non-Budgeted)		-	-	1,060,028	(1,060,028)
	-	-	-	2,430,126	(2,430,126)
Total Undistributed Expenditures	15,493,520	(176,130)	15,317,390	17,330,910	(2,013,520)
Total Expenditures - Current Expense	28,149,151	618,696	28,767,847	30,520,968	(1,753,121)
Capital Outlay:				400,000	400,000
Lease Purchase Agreement					
Facilities Improvements:					
Construction Services	6,000		6,000	6,000	-
Other Objects	23,707		23,707	23,707	-
Total Facilities Improvements	29,707	-	29,707	29,707	-
Total Capital Outlay	29,707	-	29,707	429,707	400,000
Education Jobs:					
Health Benefits		353,652	353,652	353,652	

**ROSELLE PARK SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 13 of 13**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2012**

	<b>Original Budget</b>	<b>Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Total Expenditures	28,178,858	972,348	29,151,206	31,304,327	(1,353,121)
Other Financing Sources and (Uses):					
Capital Leases				400,000	400,000
Excess (Deficiency) of Revs. Over (Under) Expenditures	(71,739)	(972,348)	(1,044,087)	328,529	2,172,616
Fund Balance July 1	2,249,705		2,249,705	2,249,705	-
Fund Balance June 30	<u>\$ 2,177,966</u>	<u>(972,348)</u>	<u>1,205,618</u>	<u>2,578,234</u>	<u>2,172,616</u>
Recapitulation:					
Restricted Fund Balance:				\$ 852,897	
Excess Surplus				403,721	
Excess Surplus - Designated for Subsequent Year's Expenditures					
Committed Fund Balance:					
Capital Reserve				100	
Assigned Fund Balance:					
Year-End Encumbrances				579,560	
Unassigned Fund Balance				<u>741,956</u>	
				<u>2,578,234</u>	
Reconciliation to Governmental Fund Statement (GAAP):					
Final State Aid Payments Not Recognized on GAAP Basis				<u>(973,403)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 1,604,831</u>	

ROSELLE PARK SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1b

FEDERAL JOBS EDUCATION FUND

JUNE 30, 2012

	<u>Adjusted Budget</u>	<u>Expended</u>	<u>Funds Available</u>
Health Benefits:			
18-000-291-270	<u>\$ 353,652</u>	<u>353,652</u>	<u></u>
Total Education Jobs	<u><u>\$ 353,652</u></u>	<u><u>353,652</u></u>	<u><u>-</u></u>

**ROSELLE PARK SCHOOL DISTRICT**

**Exhibit C-2**

**BUDGETARY COMPARISON SCHEDULE**

**SPECIAL REVENUE FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Revenues:					
Local Sources	\$ -	17,474	17,474	17,474	
Federal Sources	818,496	104,094	922,590	922,590	
Total Revenues	<u>\$ 818,496</u>	<u>121,568</u>	<u>940,064</u>	<u>940,064</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 316,000	504	316,504	316,504	
Other Salaries for Instruction	200,000	88,903	288,903	288,903	
Purchased Professional Educational Services	10,000	1,714	11,714	11,714	
Other Purchased Services					
Tuition					
General Supplies	35,000	502	35,502	35,502	
Total Instruction	<u>561,000</u>	<u>91,623</u>	<u>652,623</u>	<u>652,623</u>	<u>-</u>
Support Services:					
Salaries of Teachers	80,000	6,221	86,221	86,221	
Personal Services - Employee Benefits	80,000	10,344	90,344	90,344	
Purchased Professional and Technical Services	77,496	2,533	80,029	80,029	
Other Purchased Services	10,000	3,701	13,701	13,701	
Supplies and Materials		670	670	670	
Total Support Services	<u>247,496</u>	<u>23,469</u>	<u>270,965</u>	<u>270,965</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Construction Services	10,000	6,476	16,476	16,476	
Total Expenditures	<u>\$ 818,496</u>	<u>121,568</u>	<u>940,064</u>	<u>940,064</u>	<u>-</u>

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**



**ROSELLE PARK SCHOOL DISTRICT****REQUIRED SUPPLEMENTARY INFORMATION****Exhibit C-3****BUDGET TO GAAP RECONCILIATION****NOTE TO RSI****FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>
<b><u>Sources/Inflows of Resources</u></b>		
Actual Amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 31,232,856	940,064
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized (net)		(5,474)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	918,131	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(973,403)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 31,177,584</u>	<u>934,590</u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 30,304,327	940,064
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes (net)		<u>(5,474)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 30,304,327</u>	<u>934,590</u>

## **OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES – D**

**N/A**

**SPECIAL REVENUE FUND – E**

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit E-1  
Sheet 1 of 2

**SPECIAL REVENUE FUND**

**COMBINING SCHEDULE OF REVENUES EXPENDITURES - BUDGETARY BASIS**

**JUNE 30, 2012**

	<b><u>Title I</u></b>	<b><u>Title IIA</u></b>	<b><u>Title III</u></b>	<b><u>IDEA Basic</u></b>	<b><u>IDEA Preschool</u></b>	<b><u>Title I ARRA</u></b>
Revenues:						
Federal Sources	\$ 344,676	49,207	51,625	452,173	15,562	9,347
Local Sources						
Total Revenue	<u>\$ 344,676</u>	<u>49,207</u>	<u>51,625</u>	<u>452,173</u>	<u>15,562</u>	<u>9,347</u>
Expenditures:						
Instruction:						
Salaries of Teachers	\$ 260,885	15,821	39,798			
Other Salaries for Instruction			4,453	261,311	14,456	8,683
Purchased Professional Services	8,414			3,300		
General Supplies	16,937	12,656	188	4,723		
Total Instruction	<u>286,236</u>	<u>28,477</u>	<u>44,439</u>	<u>269,334</u>	<u>14,456</u>	<u>8,683</u>
Support Services:						
Salaries of Teachers	4,084			82,137		
Personal Services - Employee Benefits	44,627	2,643	7,186	34,118	1,106	664
Purchased Professional and Technical Services	7,380	8,498		64,151		
Other Purchased Services	1,679	9,589		2,433		
Supplies and Materials	670					
Total Support Services	<u>58,440</u>	<u>20,730</u>	<u>7,186</u>	<u>182,839</u>	<u>1,106</u>	<u>664</u>
Facilities Acquisition and Construction Services:						
Construction Services						
Total Expenditures	<u>\$ 344,676</u>	<u>49,207</u>	<u>51,625</u>	<u>452,173</u>	<u>15,562</u>	<u>9,347</u>

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit E-1  
Sheet 2 of 2

**SPECIAL REVENUE FUND**

**COMBINING SCHEDULE OF REVENUES EXPENDITURES - BUDGETARY BASIS**

**JUNE 30, 2012**

	Safety Grant	Kids in Need Grant	Future Fisherman	N.J. Veterinary Grant	Totals 2012
Revenues:					
Federal Sources					922,590
Local Sources	16,476	500	4	494	17,474
Total Revenue	16,476	500	4	494	940,064
Expenditures:					
Instruction:					
Salaries of Teachers					316,504
Other Salaries for Instruction					288,903
Purchased Professional Services					11,714
General Supplies		500	4	494	35,502
Total Instruction	-	500	4	494	652,623
Support Services:					
Salaries of Teachers					86,221
Personal Services - Employee Benefits					90,344
Purchased Professional and Technical Services					80,029
Other Purchased Services					13,701
Supplies and Materials					670
Total Support Services	-	-	-	-	270,965
Facilities Acquisition and Construction Services:					
Construction Services	16,476				16,476
Total Expenditures	16,476	500	4	494	940,064

**CAPITAL PROJECTS FUND – F**

**N/A**

**PROPRIETARY FUNDS – G**





**ROSELLE PARK SCHOOL DISTRICT**

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**

Exhibit G-2

**ENTERPRISE FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2012**

	Food Service	Cable 34	Adult School	Staff Computers	Coke Fund	Extended Day Care	Preschool	Summer Camp	Totals
Operating Revenues:									
Daily Sales	\$ 341,124							382,122	341,124
Fees Charged								382,122	382,122
Total Operating Revenues	341,124	-	-	-	-	-	-	382,122	723,246
Operating Expenses:									
Salaries	258,988							285,198	544,186
Other Employee Benefits	36,352							22,143	58,495
Contracted Services	327,596							1,150	328,746
Supplies and Materials	25,551							13,747	39,298
Utilities								6,716	6,716
Depreciation	6,222							6,222	6,222
Miscellaneous	10,463							17,509	27,972
Operating Expenses	665,172	-	-	-	-	-	-	346,463	1,011,635
Operating Gain/(Loss)	(324,048)	-	-	-	-	-	-	35,659	(288,389)
Non-Operating Revenues:									
Slate Sources:									
Slate School Lunch Program	7,587								7,587
Federal Sources:									
National School Lunch Program	243,131								243,131
Breakfast Program	19,052								19,052
Food Distribution Program	48,810								48,810
Total Non-Operating Revenues	318,580	-	-	-	-	-	-	-	318,580
Change in Net Assets	(5,468)	-	-	-	-	-	-	35,659	30,191
Total Net Assets - Beginning	(104,235)	2,469	(8,325)	1,500	8,581	26,235	1,950	103,708	31,883
Total Net Assets - Ending	\$ (109,703)	2,469	(8,325)	1,500	8,581	26,235	1,950	139,367	62,074

**ROSELLE PARK SCHOOL DISTRICT**

**COMBINING SCHEDULE OF CASH FLOWS**

Exhibit G-3

**FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Business-Type Activities - Enterprise Funds</b>						
	<b>Food Service</b>	<b>Cable 34</b>	<b>Adult School</b>	<b>Staff Computers</b>	<b>Coke Fund</b>	<b>Extended Day Care</b>	<b>Preschool</b>
						<b>Summer Camp</b>	<b>Totals</b>
Cash Flows from Operating Activities:							
Receipts from Customers	\$ 341,124					382,122	723,246
Payments for Salaries	(259,988)					(285,198)	(545,186)
Payments to Suppliers	(463,185)					(56,085)	(519,270)
Net Provided (Used) by Operating Activities	(382,049)	-	-	-	-	40,839	(341,210)
Cash Flows from Noncapital Financing Activities							
Federal & State Sources	269,770						269,770
Net Cash Provided by Noncapital Financing Activities	269,770					-	269,770
Net Increase (Decrease) in Cash and Cash Equivalents	(112,279)	-	-	-	-	40,839	(71,440)
Balances - Beginning of Year	48,990	2,469	(8,325)	1,500	8,581	26,235	186,511
Balances - End of Year	\$ (63,289)	2,469	(8,325)	1,500	8,581	145,950	115,071
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating Income (Loss)	\$ (324,048)					35,659	(288,389)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities							
Federal Commodities Consumed	48,810						48,810
Depreciation	6,222						6,222
Decrease/(Increase) in Inventory	(2,647)						(2,647)
(Decrease)/Increase in Accounts Payable	(113,430)					5,180	(108,250)
Decrease/(Increase) in Accounts Receivable	3,044						3,044
Net Provided (Used) by Operating Activities	\$ (382,049)	-	-	-	-	40,839	(341,210)

**FIDUCIARY FUND – H**

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit H-1

**TRUST AND AGENCY FUND**

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**

**AS OF JUNE 30, 2012**

	Scholarship Fund Non-Expendable Trust Fund	Student Activity	Payroll Agency	Net Salary	Unemployment Compensation Expendable Trust	Total 2012
Assets:						
Cash and Cash Equivalents	\$ 6,291	130,182	244	(5,222)	49,605	181,100
Accounts Receivable				5,222		5,222
Total Assets	\$ 6,291	130,182	244	-	49,605	186,322
Liabilities and Fund Balances:						
Liabilities:						
Payroll Deductions and Withholdings	\$		244			244
Due to Student Groups		130,182				130,182
Total Liabilities	-	130,182	244	-	-	130,426
Net Assets:						
Reserved - Scholarships	6,291					6,291
Reserved - Unemployment Benefits					49,605	49,605
Total Net Assets	\$ 6,291				49,605	55,896

EXPENDABLE TRUST FUND

Exhibit H-2

COMBINING STATEMENT OF CHANGESIN FIDUCIARY NET ASSETSJUNE 30, 2012

	<u>Scholarships</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions:			
Local Sources:			
Contributions	\$ 5,910	29,878	35,788
Interest on Investments	4	55	59
Total Additions	<u>5,914</u>	<u>29,933</u>	<u>35,847</u>
Deductions:			
Scholarship Payments	1,600		1,600
Unemployment Claims		63,541	63,541
Total Deductions	<u>1,600</u>	<u>63,541</u>	<u>65,141</u>
Change in Net Assets	4,314	(33,608)	(29,294)
Net Assets, July 1	<u>1,977</u>	<u>83,213</u>	<u>85,190</u>
Net Assets, June 30	<u>\$ 6,291</u>	<u>49,605</u>	<u>55,896</u>

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit H-3

**STUDENT ACTIVITY AGENCY FUND****SCHEDULE OF RECEIPTS AND DISBURSEMENTS****JUNE 30, 2012**

	<b>Balance July 1, 2011</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Balance June 30, 2012</b>
Elementary Schools:				
Sherman	\$ 2,674	2,775	3,124	2,325
Aldene	3,045	6,840	7,290	2,595
Robert Gordon	973	3,238	3,649	562
Total Elementary Schools	<u>6,692</u>	<u>12,853</u>	<u>14,063</u>	<u>5,482</u>
Junior High School	<u>5,285</u>	<u>16,065</u>	<u>14,337</u>	<u>7,013</u>
Senior High School	<u>115,375</u>	<u>218,816</u>	<u>216,504</u>	<u>117,687</u>
Total All Schools	<u>\$ 127,352</u>	<u>247,734</u>	<u>244,904</u>	<u>130,182</u>

**ROSELLE PARK SCHOOL DISTRICT****PAYROLL AGENCY FUND****Exhibit H-4****SCHEDULE OF RECEIPTS AND DISBURSEMENTS****JUNE 30, 2012**

	<b><u>Balance</u></b> <b><u>July 1, 2011</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance</u></b> <b><u>June 30, 2012</u></b>
Assets:				
Cash and Cash Equivalents	\$ 14,655	8,894,675	8,909,086	244
Total Assets	<u>\$ 14,655</u>	<u>8,894,675</u>	<u>8,909,086</u>	<u>244</u>
Liabilities:				
Payroll Deductions, Withholdings	\$ 14,655	8,894,675	8,909,086	244
Total Liabilities	<u>\$ 14,655</u>	<u>8,894,675</u>	<u>8,909,086</u>	<u>244</u>



## **LONG-TERM DEBT – I**

ROSELLE PARK SCHOOL DISTRICT

LONG-TERM DEBT

SCHEDULE OF SERIAL BONDS

JUNE 30, 2012

Exhibit I-1

	Date of Issue	Original Issue	Annual Maturities		Interest Rate	Beginning Balance July 1, 2011	Issued	Retired	Refunded	Ending Balance June 30, 2012
			Date	Amount						
Renovations/Additions to Schools	8/15/2004	\$ 9,219,000	2/15/2013	\$ 420,000	3.500%	\$ 7,179,000		400,000	5,919,000	860,000
			2/15/2014	440,000						
Refunding Issue	3/20/2012	5,955,000	2/15/2013	60,000	2.000%		5,955,000			5,955,000
			2/15/2014	10,000						
			2/15/2015	470,000	3.000%					
			2/15/2016	485,000						
			2/15/2017	515,000						
			2/15/2018	530,000	4.000%					
			2/15/2019	540,000						
			2/15/2020	545,000						
			2/15/2021	555,000						
			2/15/2022	560,000	3.380%					
			2/15/2023	560,000	4.000%					
			2/15/2024	560,000						
			2/15/2025	565,000						
						\$ 7,179,000	5,955,000	400,000	5,919,000	6,815,000

ROSELLE PARK SCHOOL DISTRICT

LONG-TERM DEBT

SCHEDULE OF LOANS PAYABLE

JUNE 30, 2012

Exhibit I-1a

	Date of Issue	Original Issue	Annual Maturities		Interest Rate	Beginning Balance July 1, 2011	Retired	Ending Balance June 30, 2012
			Date	Amount				
Small Project Loan	3/11/1994	\$ 44,560	7/15/11-2013	\$ 2,346	1.50%	\$ 7,037	2,345	4,692

ROSELLE PARK SCHOOL DISTRICT

Exhibit I-2

LONG-TERM LIABILITIES

SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

JUNE 30, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount Of Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2011</u>	<u>Issued Current Year</u>	<u>Paid Current Year</u>	<u>Amount Outstanding June 30, 2012</u>
Equipment Lease	8/13/2008	\$ 525,000	3.23%	\$ 209,582		209,582	-
Equipment Lease	6/12/2012	400,000	1.82%		400,000		400,000
				<u>\$ 209,582</u>	<u>400,000</u>	<u>209,582</u>	<u>400,000</u>

**ROSELLE PARK SCHOOL DISTRICT**

**DEBT SERVICE FUND**

Exhibit I-3

**BUDGETARY COMPARISON SCHEDULE**

**JUNE 30, 2012**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Favorable (Unfavorable)</u></b>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 693,999		693,999	693,999	-
State Sources:					
Debt Service Aid Type II	670		670	670	-
Total Revenues	<u>694,669</u>	<u>-</u>	<u>694,669</u>	<u>694,669</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Redemption of Principal	402,346		402,346	402,346	-
Interest	292,325		292,325	292,324	1
Total Expenditures	<u>694,671</u>	<u>-</u>	<u>694,671</u>	<u>694,670</u>	<u>1</u>
Excess of Revenues over Expenditures	(2)	-	(2)	(1)	1
Fund Balance July 1	<u>5</u>		<u>5</u>	<u>5</u>	
Fund Balance June 30	<u>\$ 3</u>	<u>-</u>	<u>3</u>	<u>4</u>	<u>1</u>

## **STATISTICAL SECTION**

**(Unaudited)**

Borough of Roselle Park School District  
Net Assets by Component  
Last Eight Fiscal Years

Exhibit J-1

	Fiscal Year Ending June 30,							
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Governmental Activities</b>								
Invested in capital assets, net of related debt	\$ 26,216,862	\$ 33,626,706	\$ 34,405,028	\$ 34,742,679	\$ 34,538,264	\$ 34,914,985	\$ 35,270,764	\$ 34,310,044
Restricted	\$ 2,286,563	\$ 1,648,110	\$ 481,237	\$ 1,147,410	\$ 1,714,640	\$ 1,384,139	\$ 1,734,712	\$ 1,836,282
Unrestricted	\$ (1,368,097)	\$ (499,221)	\$ 240,553	\$ (1,038,633)	\$ (1,605,911)	\$ (1,480,668)	\$ (1,440,849)	\$ (1,193,657)
Total governmental activities net assets	\$ 27,135,328	\$ 34,775,595	\$ 35,126,818	\$ 34,851,456	\$ 34,646,993	\$ 34,818,456	\$ 35,564,627	\$ 34,952,669
<b>Business-type activities</b>								
Invested in capital assets, net of related debt	\$ 53,975	\$ 17,813	\$ 13,957	\$ 12,029	\$ 10,126	\$ 17,525	\$ 10,900	\$ 4,678
Restricted								
Unrestricted	\$ 284,191	\$ 228,288	\$ 164,557	\$ 148,910	\$ 183,059	\$ 119,276	\$ 20,983	\$ 57,396
Total business-type activities net assets	\$ 338,166	\$ 246,101	\$ 178,514	\$ 160,939	\$ 193,185	\$ 136,801	\$ 31,883	\$ 62,074
<b>District -wide</b>								
Invested in capital assets, net of related debt	\$ 26,270,837	\$ 33,644,519	\$ 34,418,985	\$ 34,754,708	\$ 34,548,390	\$ 34,932,510	\$ 35,281,664	\$ 34,314,722
Restricted	\$ 2,283,563	\$ 1,648,110	\$ 485,479	\$ 1,147,410	\$ 1,714,640	\$ 1,384,139	\$ 1,734,712	\$ 1,836,282
Unrestricted	\$ (1,083,906)	\$ (270,933)	\$ 405,110	\$ (889,723)	\$ (1,422,852)	\$ (1,361,392)	\$ (1,419,866)	\$ (1,136,261)
Total district net assets	\$ 27,470,494	\$ 35,021,696	\$ 35,309,574	\$ 35,012,395	\$ 34,840,178	\$ 34,955,257	\$ 35,596,510	\$ 35,014,743

Borough of Roselle Park School District  
Changes in Net Assets, Last Seven Fiscal Years

Exhibit J-2

	Fiscal Year Ending June 30,						
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Expenses</b>							
Governmental Activities							
Instruction							
Regular	\$ 7,086,973	\$ 7,066,791	\$ 8,684,930	\$ 8,899,940	\$ 7,044,348	\$ 9,152,917	\$ 9,139,762
Special Education	\$ 1,810,210	\$ 2,455,399	\$ 3,092,543	\$ 2,739,718	\$ 2,893,071	\$ 2,231,732	\$ 3,215,878
Other special education	\$ 1,179,555	\$ 505,689	\$ 664,603	\$ 1,009,635	\$ 955,683	\$ 776,620	\$ 889,953
Other instruction	\$ 578,563	\$ 527,696	\$ 559,596	\$ 556,395	\$ 542,264	\$ 610,664	\$ 588,038
Support Services:							
Tuition	\$ 647,863	\$ 711,625	\$ 568,657	\$ 573,427	\$ 821,919	\$ 1,184,976	\$ 1,220,452
Student & instruction related services	\$ 3,077,855	\$ 3,085,467	\$ 3,174,504	\$ 3,705,882	\$ 3,454,142	\$ 3,032,352	\$ 3,249,222
School administrative services	\$ 1,002,378	\$ 1,482,072	\$ 588,308	\$ 1,640,413	\$ 704,284	\$ 622,517	\$ 614,682
General & business administrative services	\$ 1,026,587	\$ 1,134,957	\$ 1,876,244	\$ 1,007,870	\$ 2,528,748	\$ 1,745,464	\$ 1,792,069
Plant operations and maintenance	\$ 2,214,172	\$ 2,178,796	\$ 2,343,633	\$ 2,795,372	\$ 2,939,394	\$ 2,486,350	\$ 2,367,844
Pupil transportation	\$ 370,315	\$ 286,989	\$ 330,000	\$ 320,620	\$ 366,144	\$ 313,355	\$ 293,762
Employee Benefits	\$ 5,892,247	\$ 7,090,821	\$ 7,423,220	\$ 6,341,953	\$ 7,084,238	\$ 8,303,438	\$ 8,110,462
ARRA					\$ 1,665,793		
Interest on long-term debt	\$ 391,548	\$ 342,699	\$ 350,143	\$ 332,599	\$ 305,667	\$ 290,151	\$ 221,476
Education Jobs							\$ 353,652
Unallocated depreciation	\$ -	\$ 924,755	\$ 262,772	\$ 347,025	\$ 266,580	\$ 289,817	\$ 290,431
Total governmental activities expenses	\$ 25,278,266.00	\$ 27,793,756.00	\$ 29,919,153.00	\$ 30,270,849	\$ 31,572,275	\$ 31,040,353	\$ 32,347,683
Business-type activities							
Food Service	\$ 606,886	\$ 625,734	\$ 641,631	\$ 663,258	\$ 677,463	\$ 640,947	\$ 665,172
Child Care	\$ 525,303	\$ 500,813	\$ 308,691	\$ 319,177	\$ 356,939	\$ 348,641	\$ 346,463
Total business-type activities expense	\$ 1,132,189.00	\$ 1,126,547.00	\$ 950,322.00	\$ 982,435	\$ 1,034,402	\$ 989,588	\$ 1,011,635
Total district expenses	\$ 26,410,455.00	\$ 28,920,303.00	\$ 30,869,475.00	\$ 31,253,284	\$ 32,606,677	\$ 32,029,941	\$ 33,359,318
<b>Program Revenues</b>							
Governmental activities:							
Charges for services:							
Operating grants and contributions	\$ 794,361	\$ 884,197	\$ 990,654	\$ 791,606	\$ 2,720,592	\$ 937,429	\$ 706,678
Capital grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,345,133
Total governmental activities program revenues	\$ 794,361	\$ 884,197	\$ 990,654	\$ 791,606	\$ 2,720,592	\$ 937,429	\$ 2,051,811



Fiscal Year Ending June 30,						
	2006	2007	2008	2009	2010	2011
						2012
<b>Program Revenues - Continued</b>						
Business-type activities						
Charges for services						
Food Service	\$ 382,109	\$ 407,949	\$ 402,418	\$ 402,576	\$ 363,098	\$ 344,664
Child Care	\$ 505,954	\$ 432,660	\$ 356,083	\$ 416,439	\$ 363,916	\$ 356,493
Operating grants and contributions	\$ 187,493	\$ 218,351	\$ 224,246	\$ 245,565	\$ 268,439	\$ 283,513
Total business type activities program revenues	\$ 1,075,556	\$ 1,058,960	\$ 982,747	\$ 1,064,580	\$ 995,453	\$ 984,670
Total district program revenues	\$ 1,869,917	\$ 1,943,157	\$ 1,973,401	\$ 1,856,186	\$ 3,716,045	\$ 1,922,099
						\$ 3,093,637
<b>Net(Expense)/Revenue</b>						
Governmental activities	\$ (24,483,905)	\$ (26,909,559)	\$ (28,928,499)	\$ (29,479,243)	\$ (28,851,683)	\$ (30,102,924)
Business-type activities	\$ (56,633)	\$ (67,587)	\$ 32,425	\$ 82,145	\$ (38,949)	\$ (4,918)
Total district-wide net expense	\$ (24,540,538)	\$ (26,977,146)	\$ (28,896,074)	\$ (29,397,098)	\$ (28,890,632)	\$ (30,107,842)
						\$ (30,265,681)
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental activities:						
Property taxes levied for general purposes, net	\$ 14,678,841	\$ 15,686,219	\$ 16,740,794	\$ 16,740,794	\$ 17,003,024	\$ 17,505,170
Taxes levied for debt service	\$ 833,023	\$ 644,837	\$ 674,378	\$ 682,805	\$ 690,530	\$ 697,676
Unrestricted grants and contributions	\$ 10,016,289	\$ 10,780,883	\$ 11,202,163	\$ 11,573,947	\$ 10,808,534	\$ 11,734,108
Tuition		\$ 110,276	\$ 207,644	\$ 293,421	\$ 339,869	\$ 468,059
Miscellaneous income	\$ 238,340	\$ 158,023	\$ 96,846	\$ 15,477	\$ 86,658	\$ 137,597
Transfers	\$ (120,891)	\$ -	\$ 366,744	\$ 50,000	\$ -	\$ 100,000
Total governmental activities	\$ 25,645,602	\$ 27,380,238	\$ 29,288,569	\$ 29,356,444	\$ 28,928,615	\$ 30,642,610
						\$ 30,755,032
Business-type activities:						
Investment earnings	\$ -	\$ -	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (100,000)
Transfers	\$ -	\$ -	\$ (50,000)	\$ (49,899)	\$ (50,000)	\$ (100,000)
Total business-type activities	\$ 25,645,602	\$ 27,380,238	\$ 29,238,569	\$ 29,306,545	\$ 28,878,615	\$ 30,542,610
Total district-wide						\$ 30,755,032
<b>Change in Net Assets</b>						
Governmental activities	\$ 1,161,697	\$ 470,679	\$ 360,070	\$ (122,799)	\$ 76,932	\$ 539,686
Business-type activities	\$ (56,633)	\$ (67,587)	\$ 32,425	\$ 32,246	\$ (88,949)	\$ (104,918)
Total district	\$ 1,105,064	\$ 403,092	\$ 392,495	\$ (90,553)	\$ (12,017)	\$ 434,768
						\$ 489,351

Borough of Roselle Park School District  
Fund Balances, Governmental Funds,  
Last Eight Fiscal Years

Exhibit J-3

	Fiscal Year Ending June 30,							
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund								
Reserved	\$ 255,923.00	\$ 624,020.00	774,484.00	1,246,921.00	1,637,877.00	\$ 1,384,135.00	\$ 1,734,708.00	\$ 1,836,278.00
Unreserved	\$ 49,853.00	\$ 10,792.00	113,453.00	129,138.00	(427,921.00)	\$ (423,332.00)	\$ (403,134.00)	\$ (231,447.00)
Total General Fund	\$ 305,776.00	\$ 634,812.00	\$ 887,937.00	\$ 1,376,059.00	\$ 1,209,956.00	\$ 960,803.00	\$ 1,331,574.00	\$ 1,604,831.00
All Other Governmental Funds								
Reserved								
Unreserved, reported in:								
Special Revenue Fund	\$ (4,264.00)	\$ (4,265.00)	\$ (4,242.00)	\$ (17,303.00)	\$ 86,759.00	-	-	-
Capital Projects Fund	\$ 2,007,269.00	\$ 1,631,860.00	\$ 485,378.00	\$ 9,192.00	-	-	-	-
Debt Service Fund	\$ 24,635.00	\$ 20,415.00	\$ 1.00	\$ 2.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00
Permanent Fund								
Designated for Subsequent Year Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total all other Governmental Funds	\$ 2,027,640.00	\$ 1,648,010.00	\$ 481,137.00	\$ (8,109.00)	\$ 86,763.00	\$ 960,807.00	\$ 1,331,578.00	\$ 1,604,835.00

Borough of Roselle Park School District  
Changes in Fund Balances, Governmental Funds,  
Last Eight Fiscal Years

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>								
Local Sources	\$ 14,197,337	\$ 15,751,982	\$ 16,605,969	\$ 17,726,433	\$ 17,738,545	\$ 18,132,074	\$ 18,927,935	\$ 19,053,757
State Sources	\$ 9,847,622	\$ 10,109,817	\$ 11,201,329	\$ 11,724,869	\$ 11,573,947	\$ 10,781,776	\$ 11,702,426	\$ 12,425,426
Federal Sources	\$ 786,698	\$ 699,055	\$ 457,137	\$ 507,266	\$ 785,558	\$ 2,735,357	\$ 949,678	\$ 1,327,660
Total Revenue	\$ 24,831,657	\$ 26,560,854	\$ 28,264,435	\$ 29,958,568	\$ 30,098,050	\$ 31,649,207	\$ 31,580,039	\$ 32,806,843
<b>Expenditures</b>								
Instruction	\$ 11,289,944	\$ 10,793,507	\$ 11,031,173	\$ 12,397,061	\$ 13,133,186	\$ 11,552,692	\$ 12,775,696	\$ 13,838,287
Support Services	\$ 13,408,501	\$ 14,231,417	\$ 17,480,914	\$ 16,304,566	\$ 16,385,537	\$ 17,898,869	\$ 17,688,452	\$ 17,600,795
Capital Outlay	\$ 9,055,847	\$ 637,534	\$	\$ 949,599	\$ 103,692	\$ 89,666	\$ 46,765	\$ 446,183
ARRA-ESF						\$ 1,603,711		
ARRA-GSF						\$ 62,082		\$ 353,652
Education Jobs								
Debt service:								
Principal	\$ 2,345	\$ 292,345	\$ 312,346	\$ 332,345	\$ 352,345	\$ 372,345	\$ 392,346	\$ 402,345
Interest and other charges	\$ 334	\$ 545,754	\$ 953,750	\$ 342,865	\$ 331,280	\$ 318,995	\$ 306,009	\$ 292,325
Total expenditures	\$ 33,756,971	\$ 26,500,557	\$ 29,178,183	\$ 30,326,436	\$ 30,306,040	\$ 31,898,360	\$ 31,209,268	\$ 32,933,587
Excess(Deficiency) of revenues over(under) expenditures	\$ (8,925,314)	\$ 60,297	\$ (913,748)	\$ (367,868)	\$ (207,990)	\$ (249,153)	\$ 370,771	\$ (126,744)
<b>Other Financing sources(uses)</b>								
Transfers in	\$ -	\$ -	\$ -	\$ 650,016	\$ 50,000	\$ -	\$ 50,000	\$ 400,000
Capital Leases								
Transfers out	\$ -	\$ (110,891)	\$ -	\$ (283,272)	\$ -	\$ -	\$ -	\$ -
Total other financing sources(uses)	\$ -	\$ (110,891)	\$ -	\$ 366,744	\$ 50,000	\$ -	\$ 50,000	\$ 400,000
Net changes in fund balances	\$ (8,925,314)	\$ (50,594)	\$ (913,748)	\$ (1,124)	\$ (157,990)	\$ (249,153)	\$ 420,771	\$ 273,256

Borough of Roselle Park School District  
General Fund-Other Local Revenue by Source

Exhibit J-5

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Rentals-Use</u> <u>Of Facilities</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Transportation</u> <u>Fees</u>	<u>Other</u>	<u>Total</u>
2005	\$ 141,726.00	\$ 115,297.00			\$	\$ 64,396.00	\$ 321,419.00
2006	\$ 84,792.00	\$ 116,970.00	\$ 15,314.00		\$	\$ 34,766.00	\$ 251,842.00
2007	\$ 76,984.00	\$ 110,276.00	\$ 13,802.00		\$	\$ 24,845.00	\$ 225,907.00
2008	\$ 58,384.00	\$ 207,644.00	\$ 9,568.00		\$	\$ 18,423.00	\$ 294,019.00
2009	\$ 5,817.00	\$ 293,421.00	\$ 8,770.00		\$	\$ 10,773.00	\$ 318,781.00
2010	\$ 4,468.00	\$ 339,869.00	\$ 50,000.00		\$	\$ 32,190.00	\$ 426,527.00
2011	\$ 4,544.00	\$ 468,059.00	\$ 52,486.00		\$	\$ 100,000.00	\$ 625,089.00
2012	\$ 1,947.00	\$ 706,678.00	\$ 28,038.00		\$	\$ 100,000.00	\$ 836,663.00

Borough of Roselle Park School District  
Assessed Value and Actual Value of Taxable Property

Exhibit J-6

Year Ended December 31, <u>          </u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Public Utilities</u>	<u>Net Valuation Taxable</u>	<u>Estimated Actual</u>
2004	\$ 433,000	\$ 232,643,200	\$ 25,431,600	\$ 5,897,800	\$ 25,884,700	\$ 259,128	\$ 290,549,428	\$ 812,271,255
2005	\$ 433,000	\$ 232,845,200	\$ 25,497,500	\$ 5,897,800	\$ 25,884,700	\$ 213,095	\$ 290,771,295	\$ 920,745,076
2006	\$ 433,000	\$ 233,339,000	\$ 25,594,700	\$ 5,797,800	\$ 25,809,700	\$ 165,964	\$ 291,140,164	\$ 1,058,306,667
2007	\$ 521,000	\$ 234,150,900	\$ 25,290,500	\$ 5,797,800	\$ 24,926,300	\$ 145,623	\$ 290,832,123	\$ 1,238,637,662
2008	\$ 422,000	\$ 234,621,600	\$ 25,555,900	\$ 5,797,800	\$ 23,635,200	\$ 138,589	\$ 290,171,089	\$ 1,351,518,812
2009	\$ 511,400	\$ 234,356,900	\$ 26,132,200	\$ 5,797,800	\$ 22,486,600	\$ 146,686	\$ 289,431,586	\$ 1,366,532,512
2010	\$ 389,300	\$ 234,506,500	\$ 26,131,300	\$ 4,999,300	\$ 21,977,800	\$ 149,050	\$ 288,153,250	\$ 1,292,167,040
2011	\$ 363,800	\$ 234,458,800	\$ 26,168,300	\$ 4,900,500	\$ 21,788,600	\$ 125,187	\$ 287,805,187	\$ 1,226,791,078
2012	\$ 343,800	\$ 233,733,160	\$ 25,607,200	\$ 4,870,500	\$ 21,759,000	\$ 210,488	\$ 286,524,148	\$ 1,063,564,024

Borough of Roselle Park School District  
Direct and Overlapping Property Tax Rates

Year Ended December 31, _____	<u>Roselle Park School District Direct Rate</u>		<u>Overlapping Rates</u>		Total Direct and Overlapping Tax Rate
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>Total Direct</u>	<u>Borough of Roselle Park</u>	<u>Union County</u>
2003			4.370	2.505	1.042
2004			4.670	2.594	1.169
2005			5.036	2.745	1.264
2006			5.430	2.919	1.376
2007			5.803	3.105	1.486
2008			6.003	3.341	1.596
2009			6.067	3.530	1.666
2010			6.229	3.684	1.713
2011			6.324	3.836	1.823
2012			6.353	3.986	1.845

Borough of Roselle Park School District  
Principal Property Tax Payers

Exhibit J-8

2012

<u>Taxpayer</u>		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Woodside Gardens Assoc.	\$	4,750,000.00	1	1.66
Sunrise Village		3,740,000.00	2	1.31
Sumner Rose, LLC		2,000,000.00	3	0.70
Parkway Ford Realty		940,000.00	4	0.33
147 Westfield Avenue, LLC		850,000.00	5	0.30
Paradise Management		730,000.00	6	0.25
415 Westfield Associates		725,000.00	7	0.25
Joseph Centanni		700,000.00	8	0.24
Vazquez, Evelides		700,000.00	8	0.24
Ashford Property		685,000.00	9	0.24
Jakimowicz Partners		650,000.00	10	0.23

Borough of Roselle Park School District  
Property Tax Levies and Collections

Exhibit J-9

Year Ended December 31,	Collected within the Fiscal Year of the Levy			
	Taxes Levied for the Fiscal Year		Amount	Percentage of Levy
2002	\$	21,397,799	\$ 21,073,241	98.36%
2003	\$	23,123,776	\$ 22,704,882	98.18%
2004	\$	24,649,531	\$ 24,351,999	98.79%
2005	\$	26,487,668	\$ 26,069,735	98.42%
2006	\$	28,348,652	\$ 27,831,223	98.17%
2007	\$	30,248,800	\$ 29,598,499	97.85%
2008	\$	31,802,107	\$ 30,974,661	97.39%
2009	\$	32,620,843	\$ 31,925,961	97.86%
2010	\$	33,535,571	\$ 32,804,581	97.82%
2011	\$	34,518,458	\$ 33,582,766	97.28%



Borough of Roselle Park School District  
Ratios of Outstanding Debt by Type

Exhibit J-10

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Certificates</u> <u>of</u> <u>Participation</u>	<u>Capital</u> <u>Leases</u>	<u>Bond</u> <u>Anticipation</u> <u>Notes</u>	<u>Total</u> <u>Direct</u>	<u>Percentage of</u> <u>Personal</u> <u>Income</u>	<u>Per</u> <u>Capita</u>
2005	\$9,219,000		\$749,179				
2006	\$8,929,000		\$614,881				
2007	\$8,619,000		\$517,745	\$500,000			
2008	\$8,289,000		\$544,757				
2009	\$7,939,000		\$621,789				
2010	\$7,569,000		\$715,146				
2011	\$7,179,000		\$434,463				
2012	\$6,779,000		\$400,000				

Borough of Roselle Park School District  
Ratios of Net General Bonded Debt Outstanding

Exhibit J-11

General Bonded Debt Outstanding

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage Actual Taxable Value of Property</u>	<u>Per Capita</u>
2005	\$ 9,219,000.00		\$ 9,219,000.00		
2006	\$ 8,929,000.00		\$ 8,929,000.00		
2007	\$ 8,619,000.00		\$ 8,619,000.00		
2008	\$ 8,289,000.00		\$ 8,289,000.00		
2009	\$ 7,939,000.00		\$ 7,939,000.00		
2010	\$ 7,569,000.00		\$ 7,569,000.00		
2011	\$ 7,179,000.00		\$ 7,179,000.00		
2012	\$ 6,779,000.00		\$ 6,779,000.00		

Borough of Roselle Park School District

Exhibit J-12

Ratios of Overlapping Governmental Activities Debt

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Roselle Park	\$    15,861,402	100%	\$    15,861,402
Union County			
General Obligation Debt	\$      9,084,581	1.69%	\$      9,084,581
Other Debt			
Subtotal, overlapping debt			<u>\$         24,945,983</u>
Roselle Park School			
District Direct Debt			<u>\$          7,179,000</u>
Total direct and overlapping debt			\$         32,124,983

Borough of Roselle Park School District  
Legal Debt Margin Information

Exhibit J-13

**Legal Debt Margin Calculated for Fiscal Year 2012**

Equalized valuation basis	
2012	\$ 286,524,148
2011	\$ 287,805,187
	<u>\$ 574,329,335</u>
Average equalized valuation of taxable property	
	\$ 287,164,668
Debt limit (4% of average equalization value)	
	\$ 11,486,587
Net bonded school debt	<u>\$ 7,179,000</u>
Legal debt margin	\$ 4,307,587

Fiscal Year

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Debt Limit	\$ 11,486,587	\$ 11,519,169	\$ 11,568,123	\$ 11,616,970	\$ 11,616,970	\$ 11,616,970	\$ 11,616,970	\$ 11,616,970
Total net debt applicable to limit	<u>\$ 6,779,000</u>	<u>\$ 7,179,000</u>	<u>\$ 7,569,000</u>	<u>\$ 7,939,000</u>	<u>\$ 8,289,000</u>	<u>\$ 8,619,000</u>	<u>\$ 8,929,000</u>	<u>\$ 9,219,000</u>
Legal debt margin	\$ 4,707,587	\$ 4,307,587	\$ 3,999,123	\$ 3,677,970	\$ 3,327,970	\$ 2,997,970	\$ 2,687,970	\$ 2,687,970
Total net debt applicable to the limit as a percentage of debt limit								

Borough of Roselle Park School District  
 Demographic and Economic Statistics  
 Last Ten Years

Exhibit J-14

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Union County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2002	13,269		\$ 39,483	5.6
2003	13,198		\$ 40,181	5.5
2004	13,081		\$ 42,728	4.9
2005	12,946		\$ 43,771	4.6
2006	12,848		\$ 44,544	3.5
2007	12,753		\$ 49,062	4.2
2008	12,765		\$ 51,054	7.1
2009	12,861		\$ 51,815	9.8
2010	13,321		\$ 50,448	9.9
2011	13,372		N/A	9.9

N/A - Information not available

Borough of Roselle Park School District  
Principal Employers,  
2012

Exhibit J-15

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Roselle Park School District			
Borough of Roselle Park			
Hexacon Electric Supply Co.			
Valley National Bank			
Wells Fargo Bank			

Information was not available at the time of the audit

Borough of Roselle Park School District      Exhibit J-16  
 Full-time Equivalent District Employees by Function/Program  
 Last Seven Fiscal Years

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction							
Regular	131	135	139	140	146	138	146
Special Education	31	31	32	32	32	30	35
Other special education	31	40	48	52	54	40	49
Vocational							
Other instruction							
Nonpublic school programs							
Adult/continuing education							
Support Services:							
Student & instruction related services	53	54	54	54	52	44	37
School administrative services	10	11	11	12	14	11	11
General & Business Adm. services	1	1	1	1	1	1	1
Plant operations and maintenance	22	22	23	23	23	21	21
Pupil transportation					0	1	1
Business and other support services	18	19	20	20	20	15	14
Special Schools							
Food Service							
Child Care							
Total	297	313	328	334	342	301	315

Borough of Roselle Park School District  
Operating Statistics  
Last Eight Fiscal Years

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Elementary	Middle School	High School	Avg. Daily Enrollment	Avg. Daily Attendance	% Change ADE	Student Attendance %
2005	2094	\$ 22,976,803.00	\$ 9,760.00		216	1:18	1:16	1:16	2068	1968		95.2%
2006	2058	\$ 23,235,503.00	\$ 10,267.00		217	1:18	1:16	1:16	2041	1938		94.9%
2007	2048	\$ 23,599,936.00	\$ 11,011.00		217	1:19	1:21	1:17	2040	1940		95.1%
2008	2043	\$ 24,731,638.00	\$ 11,943.00		219	1:19	1:21	1:17	2017	1924		95.4%
2009	2,032	\$ 26,925,016.00	\$ 13,005.00		216	1:18	1:23	1:20	2009	1917		95.4%
2010	2,019	\$ 28,131,990.00	\$ 13,516.00		220	1:17	1:21	1:19	1992	1902		95.5%
2011	2,000	\$ 27,583,542.00	\$ 13,116.00		209	1:19	1:22	1:20	1981	1887		95.2%
2012	2,005	\$ 28,474,200.00	\$ 13,917.00		214	1:20	1:21	1:19	1981	1891		95.4%



Borough of Roselle Park School District  
 School Building Information  
 Last Seven Fiscal Years

Exhibit J-18

<b><u>District Building</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>
Aldene							
Square Feet	32801	32801	32801	32801	32801	32801	32801
Capacity							
Enrollment	262	273	277	271	285	279	313
Robert Gordon							
Square Feet	34342	34342	34342	34342	34342	34342	34342
Capacity							
Enrollment	301	307	262	262	272	261	263
Sherman							
Square Feet	33560	33560	33560	33560	33560	33560	33560
Capacity							
Enrollment	308	308	344	349	331	338	323
Middle School							
Square Feet	64420	64420	64420	64420	64420	64420	64420
Capacity							
Enrollment	332	328	500	487	483	485	488
High School							
Square Feet	119968	119968	119968	119968	119968	119968	119968
Capacity							
Enrollment	873	853	653	672	648	637	618
Board Office							
Square Feet	3124	3124	3124	3124	3124	3124	3124

Number of Schools as of June 30, 2011

Elementary = 3

Middle School = 1

High School = 1

Borough of Roselle Park School District  
Schedule of Required Maintenance

Exhibit J-19

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Aldene</u>	<u>Robert Gordon</u>	<u>Sherman</u>	<u>Middle School</u>	<u>High School</u>	<u>Central Office</u>	<u>Total</u>
2005	\$ 11,781.00	\$ 15,823.00	\$ 25,228.00	\$ 103,387.00	\$ 305,457.00	\$ 12,188.00	\$ 473,864.00
2006	\$ 114,229.00	\$ 46,993.00	\$ 68,861.00	\$ 148,247.00	\$ 198,378.00	\$ 10,578.00	\$ 587,286.00
2007	\$ 60,511.00	\$ 51,780.00	\$ 78,658.00	\$ 115,793.00	\$ 165,169.00	\$ 9,081.00	\$ 480,992.00
2008	\$ 74,344.00	\$ 57,798.00	\$ 69,926.00	\$ 134,488.00	\$ 127,555.00	\$ 48,602.00	\$ 512,713.00
2009	\$ 96,730.00	\$ 60,003.00	\$ 83,405.00	\$ 112,812.00	\$ 318,613.00	\$ 68,433.00	\$ 739,996.00
2010	\$ 81,861.00	\$ 75,728.00	\$ 73,058.00	\$ 162,640.00	\$ 419,853.00	\$ 27,212.00	\$ 840,352.00
2011	\$ 65,056.00	\$ 60,041.00	\$ 44,119.00	\$ 130,477.00	\$ 190,895.00	\$ 8,149.00	\$ 498,737.00
2012	\$ 76,505.00	\$ 73,148.00	\$ 66,517.00	\$ 178,920.00	\$ 214,582.00	\$ 6,747.00	\$ 616,419.00

Borough of Roselle Park School District  
Insurance Schedule

Exhibit J-20

<u>School Package Policy</u>		<u>Coverage</u>	<u>Deductible</u>
Property		\$ 400,000,000.00	\$ 5,000.00
Comprehensive General Liability		\$ 16,000,000.00	n/a
Automobile Liability		\$ 16,000,000.00	n/a
Crime Coverage - Theft, Disappearance		\$ 5,000.00	\$ 500.00
Destruction loss of Money & Securities			
Money Orders & Counterfeit Paper Currency			
Forgery & Alteration		\$ 25,000.00	\$ 500.00
Extra Expense		\$ 50,000,000.00	\$ 5,000.00
Valuable Papers		\$ 10,000,000.00	\$ 5,000.00
Demolition and Increased Cost of Construction		\$ 10,000,000.00	n/a
Equipment Breakdown		\$ 100,000,000.00	\$ 5,000.00
Electronic Data		\$ 900,000.00	\$ 1,000.00
Workers Compensation	Each Accident	\$ 2,000,000.00	
	Disease Policy Limit	\$ 2,000,000.00	
	Disease Each Employee	\$ 2,000,000.00	
School Leaders Errors & Omissions Liability		\$ 16,000,000.00	\$ 5,000.00
		\$100,000/\$300,000	
Administrator - Bond		\$ 25,000.00	\$ 500.00
Treasurer - Bond		\$ 300,000.00	\$ 1,000.00
School Violents Acts		\$ 250,000.00	\$ 25,000.00
Student Accident		\$ 1,000,000.00	
Pollutant Cleanup and Removal		\$ 2,000,000.00	\$ 25,000.00
Automobile Physical Damage	Actual Cash Basis		\$ 1,000.00
Flood Deductible	All Zones Except A&V		\$ 10,000.00
Robert Gordon Flood Deductible			\$ 1,000.00
Earthquake		\$50,000,000.00	\$ 5,000.00

## **SINGLE AUDIT SECTION**

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.

Telecopier:  
(732) 280-8888  
  
e-mail:  
rah@monmouth.com

2807 Hurley Pond Road • Suite 100  
P.O. Box 1409  
Wall, New Jersey 07719-1409  
(732) 681-4990

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**  
**AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT**  
**OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE**  
**WITH GOVERNMENT AUDITING STANDARDS (NO MATERIAL**  
**WEAKNESSES IDENTIFIED, NO SIGNIFICANT DEFICIENCIES IDENTIFIED,**  
**NO REPORTABLE INSTANCES OF NONCOMPLIANCE OR**  
**OTHER MATTERS IDENTIFIED**

K-1

Honorable President and Members  
of the Board of Education  
Roselle Park School District  
County of Union  
Roselle Park, New Jersey

We have audited the general-purpose financial statements of the Board of Education of the Roselle Park School District, in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated November 6, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

## **Internal Control Over Financial Reporting**

Management of the Roselle Park Board of Education is responsible for establishing and maintaining effective internal control over financial reporting.

In planning and performing our audit, we considered the Roselle Park Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Roselle Park Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Roselle Park Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Roselle Park Board of Education's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of general-purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the audit committee, management, the Roselle Park Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

***Robert A. Hulsart***

Robert A. Hulsart  
Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company

November 6, 2012

*Robert A. Hulsart and Company*  
 CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
 ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
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 RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

Telecopier:  
 (732) 280-8888  
 e-mail:  
 rah@monmouth.com

2807 Hurley Pond Road • Suite 100  
 P.O. Box 1409  
 Wall, New Jersey 07719-1409  
 (732) 681-4990

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A  
 DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AN ON  
 INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
 OMB CIRCULAR A-133 (UNQUALIFIED OPINION ON COMPLIANCE;  
 NO MATERIAL WEAKNESSES OR SIGNIFICANT DEFICIENCIES IN  
 INTERNAL CONTROL OVER COMPLIANCE IDENTIFIED)**

K-2

Honorable President and Members  
 of the Board of Education  
 Roselle Park School District  
 County of Union  
 Roselle Park, New Jersey

**Compliance**

We have audited the Board of Education of the Roselle Park School District, in the County of Union, State of New Jersey, with the types of compliance requirements described in the *(OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Roselle Park Board of Education's major federal and state programs for the year ended June 30, 2012. Roselle Park Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Roselle Park Board of Education's management. Our responsibility is to express an opinion on the Roselle Park Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Roselle Park Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Roselle Park Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the Roselle Park School District, in the County of Union, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2012.

### **Internal Control Over Compliance**

The management of the Board of Education of the Roselle Park School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Roselle Park Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Roselle Park Board of Education's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Roselle Park Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Roselle Park Board of Education's response and, accordingly, we express no opinion on it.



This report is intended solely for the information and use of the audit committee, management, the Roselle Park Board of Education, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Robert A. Hulsart*

Robert A. Hulsart  
Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company

November 6, 2012

**ROSELLE PARK SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Schedule A  
K-3

Department of Education Project/Title	CFDA Number	Program or Award Amount	Grant Period		Balance at June 30, 2011	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balances	Balance at June 30, 2012	
			From	To							(Accounts Receivable)	Due to Grantor
U.S. Department of Agriculture Passed Through State Department of Education:												
National School Lunch Program	10.555	\$ 243,131	7/1/11	6/30/12	\$ -		197,234	(243,131)			(45,897)	
National School Lunch Program	10.555	229,232	7/1/10	6/30/11	(48,579)		48,579					
School Breakfast Program	10.553	19,052	7/1/11	6/30/12			15,172	(19,052)			(3,880)	
School Breakfast Program	10.553	17,970	7/1/10	6/30/11	(4,132)		4,132					
Food Distribution	10.550	48,810	7/1/11	6/30/12			48,810	(48,810)				
Total Department of Agriculture					(52,711)	-	313,927	(310,993)	-	-	(49,777)	-
U.S. Department of Education Passed Through State Department of Education:												
General Fund:												
Education Jobs Fund	84.410A	353,652	7/1/11	6/30/12			353,652	(353,652)				
Medicaid	93.778	56,891	7/1/11	6/30/12			56,891	(56,891)				
Special Revenue Fund:												
Title I	84.010	330,663	9/1/11	8/31/12			273,074	(329,605)			(56,531)	
Title I	84.010	312,462	9/1/10	8/31/11	(56,140)		71,211	(15,071)				
Title IIA	84.367A	47,915	9/1/11	8/31/12			41,769	(47,533)			(5,764)	
Title IIA	84.367A	54,586	9/1/10	8/31/11	(10,637)		12,311	(1,674)				
Title IID	84.318	3,001	9/1/09	8/31/10	(134)		134					
Title IID	84.318	719	9/1/10	8/31/11	(719)		719					
Title III	84.365A	48,477	9/1/11	8/31/12			37,499	(46,805)			(9,306)	
Title III	84.365A	54,112	9/1/10	8/31/11	(12,696)		17,516	(4,820)				
Title IV	84.298	6,255	9/1/09	8/31/10	(1,246)		1,246					
I.D.E.A.:												
Part B	84.027	452,173	9/1/11	8/31/12			407,141	(452,173)			(45,032)	
Part B	84.027	445,316	9/1/10	8/31/11	(78,258)		78,258					
Preschool	84.173	15,562	9/1/11	8/31/12			14,455	(15,562)			(1,107)	
Preschool	84.173	15,615	9/1/10	8/31/11	(2,561)		2,561					
Title I ARRA	84.389	88,108	9/1/09	8/31/11	(7,685)		17,032	(9,347)				
I.D.E.A.:												
Part B ARRA	84.391	469,115	9/1/09	8/31/11	(9,976)		9,976					
Preschool ARRA	84.392	16,916	9/1/09	8/31/11	(1,270)		1,270					
Total U.S. Department of Education					(181,322)	-	986,172	(922,590)	-	-	(117,740)	-
Total Federal Financial Assistance					\$ (234,033)	-	1,356,990	(1,644,126)	-	-	(167,517)	-

See Accompanying Notes to Schedules of Financial Assistance.

ROSELLE PARK SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Schedule B  
K-4

Department of Education Project/Title	State Grant Number	Program or Award Amount	Grant Period		Balance at June 30, 2011	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balances	Balance at June 30, 2012			MEMO	
			From	To							(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Total Cumulative Expenditures
State Department of Education:															
Special Education Aid	12-495-034-5120-089	\$1,074,712	7/1/11	6/30/12	\$ -		1,074,712	(1,074,712)						(107,074)	1,074,712
Equalization Aid	12-495-034-5120-078	8,752,718	7/1/11	6/30/12			8,752,718	(8,752,718)						(866,329)	8,752,718
Extraordinary Aid	11-495-034-5120-044	302,086	7/1/10	6/30/11	(302,086)		302,086								
Extraordinary Aid	12-495-034-5120-044	222,472	7/1/11	6/30/12				(222,472)			(222,472)				222,472
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	12-100-034-5095-002	1,060,028	7/1/11	6/30/12			1,005,697	(1,060,028)			(54,331)				1,060,028
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	11-100-034-5095-002	1,004,047	7/1/10	6/30/11	(50,440) (352,526)	-	50,440 11,185,653	(11,109,930)	-	-	(276,803)	-	-	(973,403)	11,109,930
Debt Service Type II Aid	12-495-034-5120-017	670	7/1/11	6/30/12			670	(670)							670
State School Lunch Program (State Share)	12-100-010-3350-023	7,587	7/1/11	6/30/12			6,153	(7,587)			(1,434)				7,587
State School Lunch Program (State Share)	11-100-010-3350-023	6,799	7/1/10	6/30/11	(1,544) (1,544)	-	1,544 7,697	(7,587)	-	-	(1,434)	-	-	-	7,587
Total State Financial Assistance					\$ (354,070)	-	11,194,020	(11,118,187)	-	-	(278,237)	-	-	(973,403)	11,118,187

See Accompanying Notes to Schedules of Financial Assistance.

**BOARD OF EDUCATION**

K-5

**ROSELLE PARK SCHOOL DISTRICT****NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2012****NOTE 1:     General**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Roselle Park School District. The Board of Education is defined in Note 1(A) to the Board's general-purpose financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

**NOTE 2:     Basis of Accounting**

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting. This basis of accounting is described in Note 1(C) to the Board's general-purpose financial statements.

**NOTE 3:     Relationship to General Purpose Financial Statements**

The general-purpose financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

Awards and financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as presented below:

**NOTE 3:      Relationship to General Purpose Financial Statements**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>State Assistance</u></b>					
Actual Amounts (Budgetary)					
“Revenues” from the Schedule					
of Expenditures of State					
Financial Assistance	\$ 11,109,930		670	7,587	11,118,187
Difference – Budget to “GAAP”					
Grant Accounting Budgetary					
Basis Differs from GAAP					
in that Encumbrances are					
Recognized as Expenditures					
and the Related Revenue					
is Recognized					
On Behalf Payments					
Recognized for GAAP					
Statements but Not					
Included in the Schedule					
of Expenditures of State					
Financial Assistance	1,370,098				1,370,098
The Last State Aid Payment					
Is Recognized as Revenue					
for Budgetary Purposes,					
and Differs from GAAP					
Which does not Recognize					
This Revenue Until the					
Subsequent Year When the					
State Recognizes the Related					
Expense (GASB 33)	<u>(55,272)</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>(55,272)</u>
Total State Revenue as Reported					
on the Statement of Revenues,					
Expenditures and Changes in					
Fund Balances	<u>\$ 12,424,756</u>	<u>          </u>	<u>670</u>	<u>7,587</u>	<u>12,433,013</u>

**NOTE 3:      Relationship to General Purpose Financial Statements (Continued)**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>Federal Assistance</u></b>					
Actual Amounts (Budgetary)					
“Revenues” from the Schedule					
of Expenditures of Federal					
Awards	\$ 410,543	922,590		310,993	1,644,126
Difference – Budget to “GAAP”					
Grant Accounting Budgetary					
Basis Differs from GAAP in that					
Encumbrances are Recognized as					
Expenditures and the Related					
Revenue is Recognized	_____	<u>(5,473)</u>	_____	_____	<u>(5,473)</u>
Total Federal Revenue as					
Reported on the Statement					
of Revenue, Expenditures,					
and Changes in Fund					
Balances	<u>\$ 410,543</u>	<u>917,117</u>	<u>_____</u>	<u>310,993</u>	<u>1,638,653</u>

**NOTE 4:      Relationship to Federal and State Financial Reports**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5:      Other**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2012.

**ROSELLE PARK SCHOOL DISTRICT****SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012***Part 1 - Summary of Auditor's Results***Financial Statement Section**Unqualified

Type of auditor's report issued:

Internal control over financial reporting:

1) Material weakness(es) identified?

           Yes   x   No2) Reportable conditions(s) identified that are  
not considered to be material weaknesses?           Yes   x   None ReportedNoncompliance material to general purpose financial  
statements noted?           Yes   x   No**Federal Awards**

Internal control over compliance:

1) Material weakness(es) identified?

           Yes   x   No2) Reportable condition(s) identified that are  
not considered to be material weaknesses?           Yes   x   None Reported

Type of auditor's report issued on compliance for major programs:

UnqualifiedAny audit findings disclosed that are required to be reported  
in accordance with section .510(a) of Circular A-133?           Yes   x   No

Identification of major programs:

**CFDA Number(s)****Name of Federal Program or Cluster**84.010Title I (Title I Cluster)84.389Title 1-ARRA (Title I Cluster)84.027IDEA Part B (Special Education Cluster)84.173IDEA-Preschool (Special Education Cluster)84.410AEducation Jobs Fund10.555National School Lunch Program (Child Nutrition Center)10.553School Breakfast Program (Child Nutrition Center)10.550Food Distribution (Child Nutrition Center)

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

  x   Yes            No

ROSELLE PARK SCHOOL DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

## Part 1 - Summary of Auditor's Results (Continued)

### State Awards

Dollar threshold used to distinguish between type A and type B programs: \$333,546.00

Auditee qualified as low-risk auditee?     x     Yes        No

Type of auditor's report issued on compliance for major programs: Unqualified

Internal Control over major programs:

(1) Material Weakness(es) identified? \_\_\_\_\_ Yes   x   No

(2) Reportable condition(s) identified that are not considered to material weaknesses? Yes   x   None Reported

Any audit findings disclosed that are required to be reported  
in accordance with N.J. OMB's Circular 04-04? \_\_\_\_\_ Yes     x     No

Identification of major programs:

**GMIS Number(s)**

12-495-034-5120-089

12-495-034-5120-078

12-495-034-5095-002

\_\_\_\_\_

\_\_\_\_\_

**Name of State Program**

Special Education Aid

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Equalization Aid

---

TPAF Social Security (Reimbursed)

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[illegible]



**ROSELLE PARK SCHOOL DISTRICT****SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012***Part 2 - Financial Statement Findings*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

**ROSELLE PARK SCHOOL DISTRICT****SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012*****Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs***

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04.

**Federal Awards**

Finding: NONE

Information on the Federal Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

**State Awards**

Finding: NONE

Information on the State Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

**ROSELLE PARK SCHOOL DISTRICT****SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2012***Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs (Continued)***State Awards (Continued)**Recommendation: N/AManagement's response: N/A

ROSELLE PARK SCHOOL DISTRICTSUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2012Prior Audit Findings:

There were no prior year audit findings.